FRANCHISE DISCLOSURE DOCUMENT

SOFTROC GLOBAL, LLC
a Delaware limited liability company
2929 Carlisle St., Suite 100
Dallas, Texas 75204
Phone: (~~469~~800) ~~715-4954~~933-0803
Email: info@softroc.com
Website: www.softroc.com

~~Softroc Global, LLC offers~~We offer franchises for ~~the operation of a business specializing in the~~businesses providing installation, cleaning, maintenance and repair of rubber safety surfacing that serves as a long-lasting solution for existing concrete, asphalt, inter-locking brick, tile and other surfaces~~.~~ under the name "Softroc®" and other approved products and services. The total investment necessary to begin operation of a ~~Softroc~~ franchise ranges from $~~94,825~~93,870 to $~~167,600~~179,345. This includes $~~60,350~~63,350 to $64,700 that must be paid to ~~us~~the franchisor or 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~~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~~GOVERNMENTAL AGENCY HAS VERIFIED THE INFORMATION CONTAINED IN THIS DOCUMENT.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact ~~the franchisor at~~Sherry Rose, 2929 Carlisle St., Suite 100, Dallas, Texas 75204~~ or by phone at~~, (~~469~~800) ~~715-4954~~933-0803.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "*A Consumer's Guide to Buying a Franchise,*" which can help you understand how to use this disclosure document, is available from the Federal Trade Commission ~~(the "FTC")~~. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, ~~DC~~D.C. 20580. You can also visit the FTC's home page at ~~*www.ftc.gov*~~*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 of Issuance: April ~~26, 2022, as amended December 14, 2022~~24, 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~~ Exhibit ~~"E"~~F.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit ~~"F"~~E 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 Softroc® 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 Softroc® franchisee?	~~Item 20 or~~ Exhibit ~~"E"~~F lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

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

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

3. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

4. **Mandatory Minimum Payments.** You must make ~~mandatory~~ minimum royalty payments regardless of your sales levels. Your inability to make ~~these~~the payments may result in termination of your franchise and loss of your investment.

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

THE FOLLOWING APPLY TO TRANSACTIONS GOVERNED BY

MICHIGAN ~~NOTICE~~FRANCHISE INVESTMENT LAW ONLY

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

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

(b) A requirement that ~~a franchisee~~you assent to a release, assignment, novation, waiver, or estoppel ~~that deprives a franchisee~~which would deprive you of rights and protections provided ~~in this act. This shall~~under the Michigan Franchise Investment Law. This does not preclude ~~a franchisee~~you, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits ~~a~~the franchisor to terminate ~~a~~your franchise ~~before~~prior to the expiration of its term except for good cause. Good cause ~~shall include the~~includes your 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 ~~that~~, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits ~~a~~the franchisor to refuse to renew ~~a~~your franchise without fairly compensating ~~the franchisee~~you by repurchase or other means for the fair market value at the time of expiration, of ~~the franchisee's~~your inventory, supplies, equipment, fixtures, and furnishings. Personalized materials ~~that~~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~~provision applies only if: ~~(i) the term of the franchise is less than 5 years and~~

(i) The term of the franchise is less than five years; and

(ii) ~~the franchisee is~~ You are prohibited by the Franchise Agreement 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 ~~after~~subsequent to the expiration of the franchise or ~~the franchisee does~~if you do not receive at least ~~6~~six months advance notice of ~~franchisor's~~the franchisor's intent not to renew the franchise.

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

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

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

(i) The failure of the proposed transferee to meet the ~~franchisor's then current reasonable~~franchisor's then-current reasonably 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~~you to resell to the franchisor items that are not uniquely identified with the franchisor. This ~~subdivision~~ does not prohibit a provision that grants ~~to~~the 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~~it 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~~you have breached the lawful provisions of the Franchise Agreement and ~~has~~have failed to cure the breach in the manner provided in ~~subdivision~~ (c), above.

(i) A provision ~~that~~which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to ~~the Franchisee~~you 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: ~~Michigan Department of Attorney General, Consumer Protection Division, Franchise Section, 525 W. Ottawa Street,~~

State of Michigan
Consumer Protection Division
Attn: Franchise
670 G. Mennen Williams Building~~, 1st Floor,~~
525 West Ottawa
Lansing, Michigan ~~48913 (517) 373-7117.~~48933
Telephone Number: (517) 373-7117

Note: Despite subparagraph (f) above, we intend, and we and you agree, to fully enforce the arbitration provisions of the area development agreement and franchise agreement. We believe that paragraph (f) is unconstitutional and cannot preclude us from enforcing these arbitration provisions. You acknowledge that we will seek to enforce this section as written.

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

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ITEM 1

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

To simplify the language in this disclosure document~~,~~ ("Disclosure Document"), the words "we," "our," and/or "us" ~~and "the Company" mean~~refer to Softroc Global, LLC~~,~~, the franchisor. "You" ~~means~~and "your" refer to the person who buys ~~a Softroc~~the franchise~~,~~, the franchisee, ~~and includes your partners~~whether you are a corporation, limited liability company, or other business entity. If you are a ~~partnership, your shareholders if you are a~~ corporation, ~~and your members if you are a~~ limited liability company or other business entity, certain provisions of this Disclosure Document also apply to your owners where noted.

~~For purposes of this Disclosure Document, a "Softroc Business" refers to any business that operates under the name "Softroc" and uses our System (defined below), including any Softroc Business operated by us, our affiliate, you, or another franchisee.~~

~~**Corporate Information**~~

The Franchisor

~~Softroc Global, LLC is~~We are a Delaware limited liability company. Our principal business address is ~~located at~~ 2929 Carlisle St., Suite 100, Dallas, Texas 75204 and our ~~telephone~~principal phone number is (~~469) 715-4954~~800) 933-0803. We conduct business under our corporate name and the name "Softroc®". Our ~~agent~~agents for service of process ~~is~~are disclosed in Exhibit ~~"B" to this Disclosure Document. We do not do business under any names other than "Softroc Global, LLC" and our trade name, "Softroc".~~

A. ~~**Business History**~~

~~Rubaroc International Inc. ("Rubaroc") is an unaffiliated company that developed Softroc, which is a pour-in-place impact absorbing, high tech polymer resin mixed with rubber that creates a nearly indestructible non-skid surface. Softroc is used for both residential and commercial applications and consists of EPDM rubber granules or SBR rubber granules that are combined with polyurethane binders and applied using specialized tools and equipment. The rubber granules and polyurethane binders are referred to as "Softroc Product." The installation, cleaning, maintenance and repair of Softroc Product are referred to as "Softroc Services."~~

~~Prior to March 2021, Rubaroc provided Softroc Services within the United States through its affiliate, Softroc, LLC. Softroc, LLC, in turn, provided Softroc Services within the United States using its own installation staff and a network of independent installation contractors. Neither Rubaroc nor Softroc, LLC provided Softroc Services within the United States using a franchise model.~~

~~In March 2021, we acquired from Softroc, LLC the right to operate the Softroc business within the United States. As part of this transaction, we acquired the "Softroc" trademark (limited to the United States) along with Softroc, LLC's other brand assets.~~

~~At the time we acquired Softroc, LLC, we entered into a Supply Agreement with Rubaroc (the "Supply Agreement"), pursuant to which Rubaroc agreed to provide us (and our franchisees) with an ongoing supply of Softroc Product and related tools, equipment and initial training necessary to offer Softroc Services. The Supply Agreement is described in more detail in Item 8.~~

~~Immediately after our acquisition of Softroc, LLC, we developed a franchise model for the operation of a business offering Softroc Services utilizing a distinct operating system (i.e., a "Softroc Business").~~

We ~~began~~have been offering Softroc ~~Business~~® franchises ~~in~~since May 2021~~.~~, and we ~~do not offer (and~~ have never offered~~)~~ franchises in any other line of business. We ~~are not engaged in any business other~~

than offering Softroc Business franchises and administering the franchise system, although we reserve the right to distribute Softroc Product and sell Softroc Services through non-franchised dealers or subcontractors.do not engage in any other business activities, and we have never directly owned and operated a Softroc business of the type being franchised.

Predecessors, Parents, Predecessors and Affiliates

We are a wholly owned subsidiary of Restoration 1 Franchising Holding LLC, which is in turn a wholly-owned subsidiary of Stellar Brands, LLC, whose parent is RH1 Investments, LLC.

We do not have any predecessors.

We have the following direct and indirect parent companies:

PARENT COMPANIES		
Name	**Address**	**Direct or Indirect Parent?**
Restoration 1 Franchise Holdings, LLC	Same as ours	Direct
Stellar Brands, LLC	Same as ours	Indirect
RH1 Investments, LLC	Same as ours	Indirect

We do not have any affiliates that: (a) offer goods or services to our franchisees; or (b) offer (or have ever offered) franchises for Softroc Businesses.

The following table lists each of our affiliates that offers, or has ever offered, franchises in other lines of business. None of the affiliates listed below has ever operated a Softroc Business.

AFFILIATE FRANCHISING COMPANIES				
Name	**Address**	**Business Franchised***	**Time Offered**	**Number Sold (12/31/2021)**
TDC Franchising, LLC	Same as ours	The Driveway Company	2019 to present	36
Restoration 1 Franchise Holdings, LLC (and its predecessor)	Same as ours	Restoration 1	2009 to present	271
BlueFrog Plumbing and Drain, LLC	Same as ours	BlueFrog Plumbing + Drain	2014 to present	29

* The Driveway Company is a business specializing in the construction and repair of commercial and residential driveways, including crack and joint sealing, driveway replacement, all under the name "The Driveway Company®".

* Restoration 1 is a business providingFranchise Holding, LLC offers franchises for businesses offering residential and commercial water, fire, smoke, and mold restoration services with additional services such as cleaning, drying, and reconstruction and repair of damaged structural areas, all under the name "Restoration 1®". Restoration 1 Franchise Holding, LLC began offering franchises in April 2020 and as of December 31, 2022, there were 290 franchised businesses operated under contracts with Restoration 1 Franchise Holding, LLC.

* BlueFrog Plumbing + Drain is a plumbing and Drain repair business that operates, LLC offers franchises for plumbing and drain repair businesses under the name "BlueFrog Plumbing + Drain®". BlueFrog Plumbing and Drain, LLC began offering franchises in 2014 and as of December 31, 2022, 35 franchised businesses operated under contracts with BlueFrog Plumbing and Drain, LLC.

TDC Franchising, LLC offered franchises for businesses offering construction and repair of driveways under the name "The Driveway Company®" from 2019 to April 2023. Going forward, "The Driveway Company®" products and services may be offered by Softroc Global LLC, however, as of December 31, 2022, 38 franchised businesses operated under contracts with TDC Franchising, LLC.

Each of our affiliates and parents described above share our principal business address. None of the parents, predecessors, or affiliates described above have owned, operated, or offered franchises for Softroc Businesses. Other than as listed above, neither we nor any of our affiliates offers franchises for any other concept, though they may do so in the future. We do not have any affiliates that offer goods or services to our franchisees.

~~Description of~~The Franchised Business

~~If~~ We ~~award you a~~ franchise~~, you will establish~~ the right to develop, own, and operate a business ~~specializing in the~~providing installation, cleaning, maintenance and repair of ~~poured-in-place~~ rubber safety surfacing ~~that serves as a long-lasting solution for existing concrete, asphalt, inter-locking brick, tile and other surfaces. Common applications include swimming pools, decks, playgrounds, home gyms, driveways, walking paths and athletic facilities. You may provide Softroc Services to~~for both residential and commercial ~~customers. Softroc rubberized flooring has many benefits when compared to other surfacing materials (slip resistant, flexible in all environments, reduces heat, UV and chemically stable, anti-microbial, long lasting, easy to repair, reduces notices, etc.). The franchised business you acquire is referred to in this Disclosure Document as your "Business" or your~~applications and additional products and services authorized by us (each a "Softroc Business"~~.~~). To operate a Softroc Business, you must obtain an inventory of our designated Sofroc® product, which is a pour-in-place impact absorbing, high tech polymer resin mixed with rubber, and associated mixing equipment from our exclusive designated vendors (the "Softroc Products").

~~You will operate your Business from a home office (or a stand-alone office if you choose to do so). You will need storage space of at least 150 square feet for your tools, equipment and Softroc Product. You must purchase a vehicle that meets our minimum standards and specifications that will be used to travel to and from job sites.~~ Softroc Businesses operate under the name "Softroc®" and such other trademarks, service marks, graphics, trade names, trade dress, slogans, and other commercial symbols as we may approve (collectively, the "Marks"). Softroc Businesses have distinctive and proprietary business systems, methods, designs, layouts, standards, and specifications, all of which we may improve, substitute, further develop, or otherwise modify periodically (together, the "System"). We call the Softroc Business that you will operate "your Franchised Business." You must comply with all of the standards, specifications, operating procedures, and rules that we periodically prescribe as mandatory for operating Softroc Businesses generally, or your Franchised Business specifically ("System Standards").

You must sign a Franchise Agreement ~~(the "Franchise Agreement") and operate your Business in accordance with the terms of~~with us to obtain the franchise ~~Agreement. The~~for a Softroc Business. Our current form of Franchise Agreement is attached as Exhibit B-1 to this Disclosure Document ~~as EXHIBIT "C". If you are a TDC Conversion Franchisee, you must sign both a~~. Your Franchise Agreement ~~and the Conversion Addendum that is attached to this Disclosure Document as EXHIBIT "G"-4. Under the Franchise Agreement, we grant you a license to use certain logos, service marks and trademarks, including the service mark "Softroc" and related logos (collectively, the "Marks").~~will identify the location from which you will operate your Franchised Business (your "Franchised Business Office"). Your Franchised Business Office may be your personal residence, or other property that you lease or own at your own cost. The service tools and equipment for your Franchised Business may not be stored at the any location other than the Franchised Business Office, unless you notify us that you have identified off-site storage

that satisfies our System Standards. The Franchise Agreement will also identify a territory in which you may conduct marketing, advertising, and promotional activities for your Franchised Business (your "Market Territory").

~~We have developed a system (the "System") for the operation of a Softroc Business. Distinctive characteristics of the System include: the Marks; trade secrets; distinct resurfacing product and application techniques; marketing strategies; training programs; processes and procedures; and operating system. The operational aspects of a Softroc Business are contained within our confidential Brand Standards Manual (the "Manual"). You will operate your Softroc Business as an independent business using the Marks, the System, and the support, guidance and other methods and materials that we make available to you.~~

If you are a franchisee of our affiliate TDC Franchising LLC under the "The Driveway Company®" brand, we may grant you the opportunity to convert to a Sofroc Business. If we grant you the right to do so, you must sign our then-current form of TDC Conversion Addendum to your Franchise Agreement. Our current form of TDC Conversion Addendum is attached as Exhibit B-4. The TDC Conversion Addendum will be part of your Franchise Agreement, and references to your Franchise Agreement in this Disclosure Document will include the TDC Conversion Addendum, if applicable.

We may periodically license qualified franchisees the right to offer certain products or services under the "The Driveway Company®" name and brand ("TDC Services"). If you wish to offer any TDC Services from your Franchised Business, you must execute our then-current TDC Services Addendum. Our current form of TDC Services Addendum is attached as Exhibit B-5. The TDC Services Addendum will be part of your Franchise Agreement, and references to your Franchise Agreement in this Disclosure Document will include the TDC Services Addendum, if applicable.

Market and Competition

The target market for ~~Softroc~~ customers of Softroc Businesses includes: (a) residential homeowners with swimming pools, garages, patios, porches, walkways, driveways and other surfaces that could benefit from rubber safety surfacing; and (b) businesses seeking a safe~~,~~ and permanent surfacing solution for their customers, clients, staff or members. ~~Sales are generally not seasonal. However,~~ If you are located in part of the country that experiences inclement weather, your sales may decrease during periods of time when poor weather conditions prevent you from completing jobs.

The industry is developing and becoming increasingly competitive, particularly with respect to commercial customers. As a franchisee, you will compete with independent business owners as well as local and regional chains that offer resurfacing solutions utilizing various materials, including rubber, epoxy, cement, concrete, asphalt, polyaspartic, etc. Some of these competitors may operate through a franchise model. You may also compete with certain of our designated vendors to the franchise system, which distribute and sell products that are the same or similar to Softroc Products to other businesses and providers.

Industry-Specific Laws and Regulations

~~You must comply with all federal and state licensing and other regulatory requirements relating to the operation of your Business~~In addition to laws that affect businesses generally, Softroc Businesses are subject to federal, state, and local laws and ordinances specifically applicable to resurfacing businesses, including environmental, zoning and building laws. It is possible that you may need to obtain a contractor's license in ~~a few~~certain states. In addition, you may need to comply with federal, state and/or local laws and regulations governing: ~~(a)~~ the construction, design and maintenance of real property improvements; ~~(b)~~ employee health and safety; and ~~(c)~~ environmental protection, such as laws regulating disposal of wastewater and hazardous chemicals and waste. There may be other local, state and/or federal laws or regulations pertaining to your Franchised Business with which you must comply. ~~We strongly suggest that you investigate these laws before buying this franchise.~~

ITEM 2

~~ITEM 2~~ BUSINESS EXPERIENCE

Sherry Rose – Chief Executive Officer

Ms. Rose currently serves as our Chief Executive Officer. During the prior 5 years, she has held the following positions:

Entity	Title	Location	Period of Time
~~Softroc Global~~BlueFrog Plumbing and Drain, LLC	Chief Executive Officer	Dallas, TX	~~Mar~~Jan 2022 to present
	Chief Operating Officer	Waco, TX	~~Apr 2021~~Jun 2020 to ~~Mar~~Jan 2022
Restoration 1 Franchise Holding, LLC	Chief Executive Officer	Dallas, TX	~~Mar~~Jan 2022 to present
	Chief Operating Officer	Waco, TX	~~Jun~~June 2020 to ~~Mar~~Jan 2022
TDC Franchising, LLC	Chief Executive Officer	Dallas, TX	Mar 2022 to present
	Chief Operating Officer	Waco, TX	Feb 2021 to Mar 2022
~~BlueFrog Plumbing and Drain~~Softroc Global, LLC	Chief Executive Officer	Dallas, TX	~~Mar~~Jan 2022 to present
	Chief Operating Officer	Waco, TX	~~Jun 2020~~Apr 2021 to ~~Mar~~Jan 2022
Stellar Brands, LLC	Chief Executive Officer	Dallas, TX	~~Mar~~Jan 2022 to present
	Chief Operating Officer	Waco, TX	Jun 2020 to ~~Mar~~Jan 2022
Not Employed	N/A	N/A	Aug 2019 to ~~June~~Jun 2020
ServiceMaster (Terminix)	VP of Contact Centers	Memphis, TN	Feb 2017 to Aug 2019

Jessica Wescott: Chief Financial Officer & Chief Operating Officer

Ms. Wescott currently serves as our Chief Financial Officer. During the prior 5 years, she has held the following positions:

Entity	Title	Location	Period of Time
~~Softroc Global~~BlueFrog Plumbing and Drain, LLC	Chief Financial Officer & Chief Operating Officer	Dallas, TX	Jun 2022 to present
Restoration 1 Franchise Holding, LLC	Chief Financial Officer & Chief Operating Officer	Dallas, TX	Jun 2022 to present
TDC Franchising, LLC	Chief Financial Officer & Chief Operating Officer	Dallas, TX	Jun 2022 to present
~~BlueFrog Plumbing and Drain~~Softroc Global, LLC	Chief Financial Officer & Chief Operating Officer	Dallas, TX	Jun 2022 to present
Stellar Brands, LLC	Chief Financial Officer & Chief Operating Officer	Dallas, TX	Jun 2022 to present
Johnson & Sekin, LLC	Chief Financial Officer	Dallas, TX	Jan 2022 to May 2022
Not Employed	N/A	N/A	Oct 2021 to Dec 2021
Fuzzy's Taco Opportunities, LLC	Chief Financial Officer & Chief Operating Officer	Irving, TX	Oct 2020 to Sep 2021
	Chief Financial Officer	Irving, TX	Jul 2019 to Oct 2020
	EVP of Finance	Irving, TX	Jan 2018 to Jul 2019
~~MOOYAH Franchising, LLC~~	~~VP of Finance & Development~~	~~Plano, TX~~	~~Jan 2015 to Dec 2017~~

Courtney Harmon – President

Ms. Harmon currently serves as our President. During the prior 5 years, she has held the following positions:

Entity	Title	Location	Period of Time
Softroc Global, LLC	President	Dallas, TX	Apr 2021 to present
TDC Franchising, LLC	President	Dallas, TX	Jan 2021 to present
	VP of Operations	Waco, TX	Jul 2019 to Jan 2021
AIP	President & Owner	Waco, TX	Jun 2015 to Dec 2019

Entity	Title	Location	Period of Time
WTBK3, LLC ~~(TDC multi-unit franchisee)~~	Owner	Lorena, TX	Dec 2019 to present

~~**Caleb Ward – Vice President of Finance**~~

Nichole Morris – Operations Manager

~~Mr~~Ms. ~~Ward~~Morris currently serves as our ~~Vice President of Finance~~Operations Manager. During the prior 5 years, ~~he~~she has held the following positions:

Entity	Title	Location	Period of Time
~~Softroc Global~~TDC Franchising, LLC	~~Vice President of Finance~~Operations Manager	Dallas, TX	~~Sept 2022~~May 2021 to present
~~Restoration 1 Franchise Holding, LLC~~	~~Vice President of Finance~~	~~Dallas, TX~~	~~Sept 2022 to present~~
~~TDC Franchising~~Softroc Global, LLC	~~Vice President of Finance~~Operations Manager	Dallas, TX	~~Sept 2022~~May 2021 to present
~~BlueFrog Plumbing and Drain, LLC~~	~~Vice President of Finance~~	~~Dallas, TX~~	~~Sept 2022 to present~~
~~Stellar Brands, LLC~~	~~Vice President of Finance~~	~~Dallas, TX~~	~~Sept 2022 to present~~
~~Cardinal Financial~~	~~Director, Retail Production & Finance~~	~~Charlotte, NC~~	~~Jan 2020 to Aug 2022~~
~~Everett Financial~~	~~Branch Finance Analyst~~	~~Dallas, TX~~	~~Oct 2018 to Jan 2020~~
~~Gold Medal Pools~~	~~Commercial Accounting Manager~~	~~Frisco, TX~~	~~Mar 2018 to Oct 2018~~
~~Reach Restaurant Group~~	~~Manger of Finance~~	~~Plano, TX~~	~~Dec 2014 to Mar 2018~~

~~**Gina Roberson – Executive Administrator**~~

~~Ms. Roberson currently serves as our Executive Administrator. During the prior 5 years, she has held the following positions:~~

~~Entity~~	~~Title~~	~~Location~~	~~Period of Time~~
~~Softroc Global, LLC~~	~~Executive Administrator~~	~~Dallas, TX~~	~~Apr 2021 to present~~
~~TDC Franchising, LLC~~	~~Executive Administrator~~	~~Dallas, TX~~	~~Feb 2021 to present~~
~~Restoration 1 Franchise Holding, LLC~~	~~Executive Administrator~~Franchise Coach	~~Dallas~~Waco, TX	Mar ~~2022~~2021 to ~~present~~May 2021
Softroc U.S.A.	~~Executive Administrator~~ Operations Manager	Waco, TX	~~Apr~~Oct 2020 to Mar ~~2022~~2021
~~Restoration 1 Franchise Holding, LLC (Predecessor)~~ Reliable Home Health Care	~~Executive Administrator~~Physical Assistant	Waco, TX	~~Jun~~Sept 2016 to ~~Apr~~Oct 2020
~~BlueFrog Plumbing and Drain, LLC~~	~~Executive Administrator~~	~~Dallas, TX~~	~~Jun 2017 to present~~
~~Stellar Brands, LLC~~	~~Executive Administrator~~	~~Dallas, TX~~	~~Jul 2022 to present~~

ITEM 3 ~~LITIGATION~~

LITIGATION

Commonwealth of Virginia, ex rel. State Corporation Commission v. Restoration 1 Franchise Holding, LLC and Andor Kovacs, (Case No. SEC-2014-00028)

. On July 16, 2014, our affiliate Restoration 1 Franchise Holding~~,~~ LLC ~~(the predecessor of our affiliate and parent, Restoration 1)~~ entered into a Settlement Order with the Virginia State Corporation Commission based upon the allegation that it offered and sold a "Restoration 1®" franchise in Virginia after its Virginia registration had lapsed. Restoration 1~~'s predecessor~~ Franchise Holding LLC neither admitted nor denied the allegations but nonetheless agreed to the terms of the Settlement Order whereby ~~Restoration 1 Franchise Holding, LLC~~it paid $1,000 to defray the costs of investigation to the State of Virginia, agreed to attend franchise sales compliance training, and agreed to never again violate the Virginia Retail Franchise Act in the future.

Except for the ~~1~~ action described above, no other litigation is required to be disclosed in this Item.

ITEM 4 ~~BANKRUPTCY~~

BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5

~~ITEM 5~~ INITIAL FEES

~~Initial~~ Franchise Fee

~~You pay us a nonrefundable $59,900 initial franchise fee at the time you sign the Franchise Agreement. We currently offer the following discounts on the initial franchise fee.~~

~~(a) Military Discount: If a person holding a 51% or greater ownership interest in the franchise was honorably discharged from any branch of the United States military and you provide documentation (DD-214), you receive a $7,000 discount on the initial franchise fee for the 1st franchise you purchase.~~

~~(b) Multi-Franchise Discount: If you purchase 1 or more additional Softroc Businesses at the same time that (or within 2 years after) you purchase your 1st Softroc Business, you receive a discount on the initial franchise fee for these additional Softroc Businesses. You will pay the standard initial franchise fee for your 1st Softroc Business.*~~

~~* If you qualify for both the multi-franchise discount and the military discount, the military discount is applied to the initial franchise fee for your 1st Softroc Business only. The military discount will not apply with respect to the additional franchises you purchase.~~

~~The following table lists the~~You must pay us an initial franchise fee when you ~~will pay for: (a) your 1st Softroc Business; and (b) any additional Softroc Businesses~~sign the Franchise Agreement (the "Franchise Fee"). The amount of the Franchise Fee is $59,900. If you purchase more than one Softroc Businesses at the same time ~~that (or~~, or if you purchase a(n) additional Softroc Business(es) within 2 years ~~after)~~

~~you purchase~~of purchasing your ~~1st~~first Softroc Business~~:~~, you are eligible to receive a discount on the Franchise Fee for the additional Softroc Businesses, as follows: (i) $49,900 for the second franchise; and (ii) $39,900 for the third or subsequent franchise. The Franchise Fee is deemed fully earned when paid and is non-refundable under any circumstances. The Franchise Fee is uniformly imposed, other than discounts listed in this Item 5.

~~Franchise Number~~	~~Initial Franchise Fee~~	
	~~No Military Discount~~	~~With Military Discount~~
~~1~~	~~$59,900~~	~~$52,900~~
~~2~~	~~$49,900~~	~~$49,900~~
~~3 or more~~	~~$39,900 per franchise~~	~~$39,900 per franchise~~

~~The initial franchise fee is uniformly imposed, other than the discounts listed above. However, in 2021 we ran various promotional discounts that included negotiated initial franchise fees ranging from $0 to $39,900.~~

Veterans Discount

We currently offer a discounted Franchise Fee to qualifying veterans who have received an honorable discharge from any branch of the United States military before applying to become a franchisee. The veteran's discount is $7,000 off the Franchise Fee. The discount is only available for the first Softroc Business purchased. If the franchisee is a corporation, limited liability company, or other legal entity, the veteran participant must maintain at least a 51% ownership interest in the entity to qualify for this discount. To apply for the veteran's discount, you must provide us a copy of your active-duty ID or form DD-214 reflecting your military status before the Franchise Agreement is signed.

Technology Fee

You must pay us a monthly Technology Fee~~. As of the issuance date of this Disclosure Document, the technology fee is $450 per month and covers the following: (a) the services we provide for website and email hosting; and (b) use of our designated business management and POS software~~ (defined in Item 6). You must pay the first monthly installment of the Technology Fee ~~the first month after completion of training (which may be prior to opening)~~(currently, $450 / month for a standard franchisee, plus an additional $350 per month if you sign a TDC Services Addendum) when your website and digital channels are set-up, which will be before you open. The Technology Fee is ~~uniformly imposed and nonrefundable. However, the technology fee is subject to change based on increased costs we incur or changes to our required software or technology. We anticipate that any increase to the technology fee will be uniformly imposed.~~not refundable under any circumstances.

Combination of Discounts

Discounts may not be combined. Any questions about discounts, including questions about the order in which discounts may be applied, will be resolved by us.

Training Fee

You must pay us a training fee of $3,000 prior to the start of the Training Program. If you sign a TDC Services Addendum, you must also pay us an additional training fee of $1,000 prior to the start of the TDC Services training (except that if you are a The Driveway Company® franchisee converting your business into a Softroc Business, you will not have to pay the additional TDC Services training fee). The training fees are otherwise uniformly imposed and non-refundable under any circumstances.

ITEM 6

~~ITEM 6~~ OTHER FEES

Type of Fee [1]	Amount	Due Date [2]	Remarks [1, 2]
Royalty Fee [3, 4]	Greater of (a) ~~sum of~~ 7% of ~~initial $100,000 in monthly Gross Sales [3] plus 5% of monthly Gross Sales [3] in excess of $100,000~~Collected Gross Revenue or (b) the Minimum Royalty Fee	~~5th day of month~~Monthly	The "Minimum Royalty Fee" is ~~as follows~~: • ~~Prior to 7th~~Initial 6 full ~~month~~/partial months after opening: $0 • 7th through 12th ~~full month~~months: $250 per month • Remainder of term: $500 per month ~~You must submit monthly Gross Sales reports in the format we require. We may also generate Gross Sales reports through your POS system.~~We may increase the amount of the Minimum Royalty Fee up to the aggregate rate of inflation since the later of the date of your Franchise Agreement or our last adjustment.
~~Brand Fund~~Technology Fee	~~Up to 2% of Gross Sales [3] (currently 1% of Gross Sales)~~Currently $450 / month plus an additional $350 / month if you sign a TDC Services Addendum (plus, an additional $10 per month per address, if you obtain more than 3 email addresses)	~~Same as royalty fee~~Monthly	~~See Note 4~~You must pay this fee for certain technology-related services, which is subject to change (the "Technology Fee"). We also have the right to pay master vendors on your behalf and invoice you for those amounts.
Brand Fund Contribution [3, 5]	Up to 2% of Collected Gross Revenue (currently 1% of Collected Gross Revenue)	Monthly	Payable to us as your Brand Fund Contribution (as defined in Item 11).
~~Cooperative~~Local Advertising ~~Fee~~Expenditure	Up to 2% of Collected Gross ~~Sales [3]~~ Revenue (not currently imposed)~~(not currently charged)~~	~~Same as royalty fee~~Monthly	~~See Note 5~~You must spend this amount on local advertising in your Market Territory (your "Local Advertising Expenditure"). We may require you to pay part or all of the Local Advertising Expenditure to the Brand Fund, in addition to the Brand Fund Contribution.
~~Local~~ Marketing ~~Commitment~~in Another Market Territory	~~2% of Gross Sales [3]~~Greater of: (i) $5,000 per incident, or (ii) 100% of the job value for any work obtained outside of your Market Territory	As incurred	~~Paid to third parties. See Note 6~~Payable if you, your Owners or affiliates conduct any marketing, advertising, or promotional activities outside of your Market Territory.

Type of Fee [1]	Amount	Due Date [2]	Remarks [1, 2]
~~Additional Training or Assistance Fee~~Audit Expenses	~~Up to $600 per person per day (plus reimbursement of expenses for onsite training or assistance)~~All costs and expenses associated with audit (currently estimated to be between $1,500 - $5,000)	~~10 days after invoice~~Upon demand	~~See Note 7~~Payable if any audit we conduct shows you have not spent the Local Advertising Expenditure, or if you underreported amounts you owe us by 3% or more.
~~Conference Registration Fee~~ Approval of Products or Suppliers	~~Up to~~All costs and expenses associated with the evaluation (currently estimated to be between $500 to $1,000 per ~~person per conference~~request)	~~Prior to conference~~ Time of evaluation	~~See Note 8~~Payable if you request that we evaluate a new product or supplier.
~~Technology Fee~~ Insurance Policies	~~Varies (currently $450 per month)~~Amount of unpaid premiums plus our reasonable expenses in obtaining the policies	~~10 days after invoice or as we otherwise specify~~Upon demand	~~See Note 9~~Payable if you fail or refuse to obtain and maintain the insurance we specify and we elect to obtain coverage for you.
~~Product Purchases~~ Service Warranties Remediation	~~Varies depending on item purchased~~Our cost of honoring any Service Warranty	~~10 days after invoice~~Upon demand	~~We may, but need not, be a supplier for certain items purchased by franchisees, such as inventory, marketing material, equipment and operating supplies. If we supply any of these items, we will provide you with a price list upon request. Neither we nor any of our affiliates is currently a supplier~~Payable if you fail or refuse to honor Service Warranties offered to customers by your Franchised Business, and we elect to honor those Service Warranties on your behalf.
~~Call Center Program~~Service Warranty Deposit	~~Reasonable setup and monthly fees charged by service provider or us, if we administer call center (not currently imposed)~~Varies based on the amount of outstanding Service Warranties	~~Monthly or at such other time we specify~~Upon demand	~~See Note 10~~We may require you to pay us a reasonable a deposit, post a bond, or offer another form of financial assurance to us to support any Service Warranties offered by your Franchised Business. This amount would be refunded to you after expiration or termination of all Service Warranties offered by your Franchised Business, less any deductions arising if we have to honor any such Service Warranties on your behalf. We may hold these amounts after the termination or expiration of your Franchise Agreement until all Service Warranties have expired or are satisfied by you.

Type of Fee [1]	Amount	Due Date [2]	Remarks [1, 2]
Transfer Fee	$5,000	~~Before transfer~~Upon demand	Payable to us if you ~~sell your franchise or~~request our approval of a transfer ~~ownership. No charge for~~ (transfer to ~~an entity 100% controlled by you or for certain transfers of ownership between existing owners~~a wholly-owned entity or upon death or disability does not incur this fee, but you must reimburse our direct costs).
~~Management~~Renewal Fee	~~$500 per day plus reimbursement of travel and living~~Our direct costs and expenses	~~10 days after invoice~~Upon demand	Payable to us if you ~~default under the Franchise Agreement or the Managing Owner dies, we can designate a temporary manager to manage your Business until you cure the default or find a replacement Managing Owner, as applicable. "Managing Owner" is defined in defined in Item 15 of this Disclosure Document~~wish to acquire a successor franchise and we approve you for such franchise.
~~Audit~~Additional Training Fee [6]	~~Our costs incurred for audit (estimated to range from $1,500 to $5,000 per audit)~~Our then-current fee (currently, $1,000 per day per trainee, plus expenses)	~~Upon demand~~Prior to training	Payable ~~only if audit (a) reveals Gross Sales understated by at least 3%, (b) is necessary because you fail to furnish required information or reports to us in a timely manner or (c) reveals violation of non-competition covenant~~if you request additional training for you, your Owners, or your personnel, and we agree to provide such training.
~~Fines~~ Conference Registration Fee	Up to $~~500 per incident~~1,000 (currently, $300 per person, per conference)	~~Upon demand~~Prior to conference	~~Payable~~ If you fail to ~~comply with a mandatory standard or operating procedure (including timely submission of required reports) and do not cure the non-compliance within the time period we require. We may impose an additional fine every 48 hours the non-compliance issue remains uncured after we impose the initial fine~~attend any required conference, you must still pay the conference registration fee for the missed conference. We may waive this fee if you demonstrate good cause for your inability to attend.
~~Default Interest~~National Account Dispatch and Claims Management Fees	~~Lesser of (a) 18% per annum (prorated on daily basis) or (b) highest rate allowed by applicable law~~Our then-current fees (currently, no dispatch fees, and claims management fees of 5% of the invoiced amount)	~~10 days after invoice~~At time of job	~~If we debit your account but there are insufficient funds, or a check you issue is returned due to insufficient funds, then we may charge (in addition to the late fee) an NSF fee of $50 per incident~~Payable if you provide services for a National Account Clients (defined in Item 16). We will invoice and collect payment from the client, and remit to you your portion of the payment after deducting fees.
Cost of Enforcement	All costs including reasonable attorneys' fees	Upon demand	You must reimburse us for all costs in enforcing obligations if we prevail.

Type of Fee [1]	Amount	Due Date [2]	Remarks [1, 2]
~~Indemnification~~Interest on Past Due Amounts	~~Amount of damages, losses or expenses we incur~~Lesser of 1.5% per month or the highest rate allowed by law	~~10 days after invoice~~Upon demand	~~You must indemnify and reimburse us for any damages, losses or expenses we incur due to the operation of your Business or your breach of~~All amounts owed under the Franchise Agreement to us that are not received by us on the due date, will bear interest from the date payment is due to the date payment is received. You must also pay us for all costs we incur in the collection of any unpaid and past due amounts, including reasonable attorneys' fees.
~~Attorneys' Fees and Costs~~Indemnification	~~Amount of attorney's~~All costs including reasonable attorneys' fees ~~we incur~~	Upon demand	You must reimburse us ~~for all attorneys' fees and other costs we incur relating to~~if we are held responsible for claims directly or indirectly arising out of your Franchised Business or your breach of ~~any term of~~ the Franchise Agreement ~~or any other agreement with us or our affiliates~~.
~~New Product or Supplier Testing~~ Management Fee	~~Cost we incur for testing (estimated to range from $500 to 1,000 per product/supplier)~~Then-current fee (currently, 5% of Collected Gross Revenue), plus costs and expenses	~~10 days after invoice~~Upon demand	~~This covers the costs of testing new products or inspecting new suppliers you propose~~If we assume management of your Franchised Business because you abandon, default and fail to cure, or we are determining whether to exercise our right to acquire your Franchised Business at the end of the franchise.
~~Insurance Reimbursement~~	~~Our costs incurred to obtain insurance on your behalf~~	~~10 days after invoice~~	~~If you fail to obtain and maintain the insurance we require, and we elect to do so on your behalf, you must reimburse us.~~
Final Payment	~~70% of your total~~ Accounts Receivable multiplied by 70%, multiplied by ~~9%~~combined rate of your Royalty Fees and Brand Fund Contributions as of termination or expiration	~~30~~Within 5 business days ~~after~~following expiration or termination of the Franchise Agreement	Payable in lieu of continuing Royalty ~~fee~~Fees and Brand Fund ~~contribution relating to Gross Sales associated with your~~ Contributions otherwise payable on Collected Gross Revenue after the date of expiration or termination. "Accounts Receivable" means any and all revenue due you for services performed by your Franchised Business prior to expiration or termination.
~~Liquidated Damages (marketing infringement)~~	~~$5,000 per incident~~	~~Upon demand~~	~~Paid if you engage in targeted marketing directed into a territory owned by us, our affiliate or another Softroc franchisee.~~

Type of Fee [1]	Amount	Due Date [2]	Remarks [1, 2]
~~Liquidated~~Lost Revenue Damages ~~(termination of franchise)~~	~~Varies (See Note 11)~~Will vary under circumstances	~~Upon demand~~Within 15 business days of termination	~~Paid~~ If we terminate ~~due to~~your Franchise Agreement because of your default (or if you terminate ~~in any manner not permitted under~~without cause), you must pay us the net present value of the Royalty Fees and Brand Fund Contributions that would have become due had the Franchise Agreement not been terminated, from the date of termination until the earlier of: (a) 2 years following the date of termination; or (b) the scheduled expiration of the term of the Franchise Agreement (based on the average monthly amount of your Royalty Fees and Brand Fund Contributions during the preceding 12 months, or if you have been operating your Franchised Business for less than 12 months, on the average monthly Royalty Fees and Brand Fund Contributions of all Softroc Businesses during our previous fiscal year).

Notes to Item 6:

1. Except as described in this Item 6, all fees are imposed and collected by and payable to us ~~except~~, though we may ~~collect the cooperative advertising fee and~~ transfer these ~~funds to the applicable advertising cooperative. All~~rights to our affiliates. These fees are ~~nonrefundable and~~not refundable. Not all our fees are uniformly imposed ~~on franchisees. You must sign an ACH Authorization Form (attached to~~ due to individual negotiated terms with certain franchisees. All amounts payable by you to us, or our affiliates must be in United States Dollars ($USD).

2. You must pay all amounts due under the Franchise Agreement as ~~ATTACHMENT "C") permitting us to electronically debit your designated bank account for all amounts owed to us and our affiliates (other than the initial franchise fee). You must deposit all Gross Sales into the bank account and ensure there are sufficient funds available for withdrawal before each due date. You must pay us all taxes that are imposed upon us or that we are required to collect and pay by reason of the furnishing of products, intangible property (including trademarks) or services~~ we periodically prescribe. Currently, we require all payments to be made through an electronic funds transfer account (the "Transfer Account") that allows us to debit the Transfer Account for all amounts you owe us on their due dates or the next business day if the due date is a national holiday or a weekend day. You must ensure that funds are available in the Transfer Account to cover our withdrawals. If you fail to report your Collected Gross Revenue when due, then for each payment under the Franchise Agreement calculated based on Collected Gross Revenue, we may debit the Transfer Account 110% of the average of the last three payments. If the amounts that we debit from your account are greater than the amounts you actually owe us, we will credit the excess against the amounts we otherwise would debit from your Transfer Account on the next payment due date. We may require you to make payments through any other method at any time, and you must comply with our payment instructions. We may change the timing and intervals of your payments with 30 days prior notice to you.

~~2. All fees are due no later than 5:00 PM CST on the specified due date (unless this day is a weekend or holiday, then on the business day before).~~

~~3. "Gross Sales" means all revenues that you collect from the operation of your Business, including: (a) the proceeds of any business interruption insurance; and (b) any revenues initially collected by us and paid to you for your completion of a job for a National Account customer. "Gross Sales" does not include:~~

- ~~any sales tax or use tax you collect~~
- ~~refunds made by you in good faith~~
- ~~the value of any allowance issued or granted to any customer of your Business that is credited by you in full or partial satisfaction of the price of any products and services offered in connection with your Business~~
- ~~any rebate you receive from a manufacturer or supplier~~

3. "Collected Gross Revenue" means the aggregate of all revenue and consideration of any kind derived from your Franchised Business, whether from check, cash, credit or otherwise including all proceeds from any business interruption insurance, but excluding (a) all refunds actually made to customers in good faith, (b) any sales and equivalent taxes that are collected by you for or on behalf of any governmental taxing authority and paid thereto, and (c) uncollected amounts not paid by customers. With respect to National Accounts Clients, Collected Gross Revenue includes all revenue received by us for performance of services, without deduction for dispatch or claims management fees or similar fees.

4. Currently, we offer a discount program on certain non-core products offered in connection with TDC Services (such as driveway cleaning), which is subject to a Royalty Fee of 3% of Collected Gross Revenue on such TDC Services. We may initiate, modify, or discontinue this discount program at any time with notice to you. We may also condition this discount on criteria we establish periodically, such as compliance with all agreements with us, and satisfaction of our criteria to offer the applicable products or services.

5. We may, upon 30 days prior written notice to you, change the required Brand Fund Contribution up to the maximum amount provided in your Franchise Agreement.

6. You must pay all travel and living expenses (including wages, transportation, food, lodging and workers' compensation) incurred by you and your Key Personnel or any other employee incurs during any and all meetings and/or training courses and programs. You must also pay all travel and living expenses (including transportation, food, and lodging) incurred by any of our trainers or staff we send to your Franchised Business to provide training courses or programs.

ITEM 7

~~The Manual may include policies governing the manner in which proceeds from the sale of gift cards are treated for purposes of calculating Gross Sales.~~

~~4. We currently administer a brand and system development fund to promote public awareness of our brand and improve our System. You have no voting rights pertaining to the administration of the fund, the creation and placement of the marketing materials or the amount of the required contribution.~~

~~5. We may establish regional advertising cooperatives for purposes of pooling advertising funds to be used in discrete regions. We will collect the cooperative advertising fees and remit these fees to the applicable advertising cooperative (unless we administer the cooperative ourselves). The amount of the cooperative advertising fee may be adjusted (or temporarily suspended) upon the majority vote of all franchisees within the cooperative. Any Softroc Business we operate will have the same voting power as third-party franchisees. If we own the majority of Softroc Businesses within an advertising~~

cooperative, we will not increase the cooperative advertising fee without the consent of a majority of all third-party franchisees within the cooperative. Cooperative advertising fees will be uniformly imposed on all franchisees within the cooperative, including any Softroc Business we operate. All cooperative advertising fees you pay will be credited towards your Local Marketing Commitment (defined in Note 6 below). There were no advertising cooperatives in effect as of December 31, 2021.

6. In addition to your contributions to the brand and system development fund, you must spend at least 2% of your monthly Gross Sales on local advertising (your "Local Marketing Commitment"). Any cooperative advertising fees you pay will be credited against your Local Marketing Commitment.

7. Before you open, we will provide our initial training program at no additional charge. However, you must pay Rubaroc a $3,000 initial training fee for the portion of initial training conducted by Rubaroc's designated representative. We may charge you an additional training or assistance fee of up to $600 per person per day for:

- each person that attends our initial training program after you open your Business (such as a new Managing Owner or designated manager)
- any person who retakes training after failing a prior attempt
- any remedial training we require based on your operational deficiencies
- each person to whom we provide additional training that you request
- each person who attends a system-wide or additional training program we conduct
- any special assistance you request beyond what we must provide under the Franchise Agreement

If we agree to provide onsite training or assistance, you must also reimburse us for all costs incurred by our representative for meals, travel and lodging. You are responsible for all expenses and costs your trainees incur for training, including wages, travel and living expenses.

8. We may hold periodic national or regional conferences to discuss business and operational issues affecting our franchisees. Attendance at these conferences is mandatory for your Managing Owner and, if required by us, your designated manager. You must pay us the conference registration fee even if you fail to attend a required conference, although we reserve the right to waive the fee if you demonstrate good cause for your inability to attend. You are also responsible for all expenses and costs the conference attendees incur, including wages, travel and living expenses.

9. You must acquire and utilize all information and communication technology systems that we specify from time to time (the "Technology Systems"). The "technology fee" includes all amounts you pay us and/or our affiliates relating to the Technology Systems, including amounts paid for proprietary items and amounts we collect from you and remit to third-party suppliers based on your use of their systems, software, technology or services. The amount of the technology fee may change based on changes to the Technology Systems or the prices charged by third-party suppliers with whom we enter into master agreements. The technology fee does not include any amounts you pay directly to third-party suppliers for any component of the Technology Systems. As of the issuance date of this Disclosure Document, we charge a technology fee of $450 per month, which includes: (a) website and email hosting; and (b) use of our designated business management and POS software.

10. We may require you to use us, or a designated service provider, to provide call center services, including call routing and scheduling services. You must pay us a commercially reasonable fee if we administer the call center. If a third party administers the call center, you must pay the call center or we may collect the fee and pay a portion to the call center.

11. If we terminate the Franchise Agreement due to your default, or you terminate the Franchise Agreement prior to the expiration of the term (except in accordance with the provisions governing your right to

~~terminate following our uncured breach), you must pay us liquidated damages. The amount of liquidated damages is calculated as the sum of average royalty fees and brand fund fees imposed during the 12-month period preceding termination, multiplied by the lesser of (a) 24 or (b) the total number of months remaining under the term, discounted to present value.~~

~~ITEM 7~~ ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

~~YOUR ESTIMATED INITIAL INVESTMENT~~				
Type of Expenditure ~~1~~1	**Amount**	**Method of Payment**	**When Due**	**To Whom Payment Is To Be Made**
~~Initial~~ Franchise Fee	$59,900	Lump sum	At time you sign Franchise Agreement	Us
Training ~~Expenses~~ Program Fee~~(2 people while training)~~	$~~2,500 to $4,000~~3,000	~~As incurred~~Lump sum	~~During~~Prior to training	~~Hotels, restaurants and airlines~~Us
~~Rubaroc~~TDC Training Fee	$~~3,000~~0 to $1,000	Lump sum	Prior to training	~~Rubaroc~~Us
~~Office / Leased Storage Space~~ ~~2~~Real Estate/Rent 2	$0 to $2,000	Lump sum	~~Monthly (with security deposit paid before opening)~~As arranged	Landlord
Renovations ~~&~~and Improvements ~~3~~3	$250 to $5,000	As incurred	Before opening	Architects, contractors, suppliers
~~Service Vehicle & Wraps~~ ~~4~~ Office Equipment and Supplies 4	$~~1,500~~250 to $~~48,000~~1,000	~~Lump sum or~~ As ~~negotiated~~incurred	Before opening	Suppliers
Initial Supply of Inventory and Mixing Equipment ~~5~~5	$~~10,000~~8,000 to $12,000	Lump sum	Before opening	~~Rubaroc~~Suppliers
Uniforms 6	$250 to $650	Lump sum	Before opening	Suppliers
~~Computer System~~ ~~6~~Technology Systems and Components 7	$1,500 to $3,000	Lump sum	Before opening	Suppliers
~~Technology Fee~~ ~~7~~ ~~(preopening installment)~~ Training Expenses for 3 people 8	$~~450~~2,500 to $4,000	As incurred	~~Before opening~~ During training	~~Us~~Hotels, restaurants and airlines
~~Uniforms~~ ~~8~~Vehicle 9	$~~250~~1,500 to $~~650~~ 48,000	Lump sum or as negotiated	Before opening	Suppliers

~~YOUR ESTIMATED INITIAL INVESTMENT~~				
Type of Expenditure ~~1~~	**Amount**	**Method of Payment**	**When Due**	**To Whom Payment Is To Be Made**
~~Marketing & Advertising~~ ~~9~~ ~~(before opening and 3-month period after opening)~~Marketing Materials [10]	$500 to $2,500	Lump sum	As incurred	Suppliers
~~Home Office Supplies~~ ~~10~~ Insurance [11]	$~~250~~1,875 to $~~1,000~~3,750	~~As incurred~~Lump sum	Before opening	~~Suppliers~~Insurance companies
~~Business~~ Licenses & Permits [12]	$0 to $1,000	As incurred	Before opening	Government agencies
Professional Fees [13]	$1,500 to $2,000	Lump sum	Before opening	Lawyers & accountants
TDC Service Costs [14]	$0 to $7,000	Lump sum or as negotiated	Before opening	Suppliers, Us
~~Insurance (3 months' premium)~~POS Initial License Fee[15]	$~~1,875 to $3,750~~1,495	Lump sum	Before opening	~~Insurance companies~~Suppliers
Additional Funds ~~11~~[16] (3 months ~~after opening~~)	$11,350 to $~~21,350~~ 22,050	As incurred	As incurred	Suppliers, employees and us
TOTAL ~~Estimated Initial Investment~~ ~~12, 13~~[17]	**$~~94,825~~93,870 to $~~167,600~~ 179,345**			

Notes to Item 7:

1. Except as otherwise provided, none of the amounts payable to us or our affiliates in this table are refundable under any circumstances. All amounts payable to third parties will be paid under the terms of your agreements with these respective third parties. We do not offer direct or indirect financing for any of these items. ~~None of the fees payable to us are refundable. We are unaware of any fees payable to third party suppliers that are refundable, although the storage leasing company may refund your security deposit at the end of the lease if you do not default.~~

2. ~~You may operate your Business from a home office, subject to any conflicting restrictions imposed by your Homeowners' Association (if applicable) or local zoning laws. You will also need up to~~A suitable space for storing all service tools and equipment will be approximately 150 square feet ~~of space to store service tools, equipment and Softroc Product~~. The low estimate assumes that you ~~have adequate storage space in your garage or other~~use your existing home-based storage ~~area~~, such as your garage, as your Franchised Business Office. The high estimate assumes that you will lease storage space and will pay a security deposit equal to ~~2~~two months' rent to lease the unit. Estimated rental costs for three months are included within the category "Additional Funds." The location of the storage space and its relationship to and the nature of any adjoining uses will affect both its size and price. We may establish System Standards for off-site storage, including relating to size, safety, or insurance requirements, with which your off-site storage must comply.

3. To adapt the Franchised Business Office ~~and storage area~~ for the operation of your Franchised Business, you may need to make some minor renovations or improvements. The ~~low estimate assumes that fewer improvements are needed.~~cost of the renovations and improvements will vary depending on factors, including the size, condition, and location of the facilities, local wage rates, and the cost of materials.

4. You ~~will need either a tradesman van or a pickup truck with trailer to accommodate the required equipment. You must wrap the vehicle and trailer according to our specifications. The low estimate assumes you own an acceptable late model tradesman van or pickup truck with less than 100,000 miles. The high estimate represents the estimated purchase price of a tradesman van.~~must purchase general office supplies including stationery, business cards, and typical office equipment. Factors that may affect your cost of office equipment and supplies include local market conditions, competition among suppliers, and other factors.

5. You must purchase your initial supply of Softroc ~~Product from Rubaroc. The cost of this initial purchase is $10,000 and includes all required mixing equipment. Payment is due at the time you complete the portion of the initial training program that is conducted by a Rubaroc representative~~Products prior to opening. After opening, you must purchase your ongoing supply of Softroc ~~Product~~Products from ~~Rubaroc or any other~~ suppliers we designate ~~or approve~~.

~~6. You must purchase the computer hardware and software we require. This estimate includes the cost for 1 computer and 1 mobile/tablet device that supports our required software.~~

~~7. You must pay us a monthly technology fee. Our current technology fee is $450 per month, with the first payment due prior to opening, and covers the following: (a) the services we provide for website and email hosting; and (b) use of our designated business management and POS software The estimate in the table above includes the first installment of the technology fee that is due prior to opening. The Additional Funds category includes $1,350 for the initial 3 monthly technology fee payments due after opening.~~

6. ~~8. This estimates the cost for~~The range of costs provided represents an initial supply of uniform shirts that meet our standards and specifications. The costs will vary depending on the number of employees that you hire and the quantity of uniform shirts that you order.

7. ~~9.~~ You must ~~spend at least 2% of your Gross Sales on approved advertising. This item estimates the costs you will incur for your marketing and advertising conducted before opening and during the 3-month period after opening, including online and internet marketing and advertising, dues for business organizations, event dues or other solicitation and promotional efforts.~~acquire and use the Technology Systems (defined in Item 11) that we designate. The cost of your Technology Systems will depend on whether you already own any components that must be purchased, freight and installation costs, the cost of internet and connectivity services in your area, applicable state and local taxes and other factors.

~~10. You must purchase general office supplies, including stationery, business cards, and typical office equipment.~~

~~11. This estimates your expenses during the first 3 months of operation, including payroll costs (excluding any wage or salary paid to you), technology fees, inventory replenishment, rental of storage space and other miscellaneous expenses and required working capital. We have not included or accounted for any fees paid to the franchisor or an affiliate that are calculated as a percentage of revenues. These figures are estimates based on the past experience of our principals in franchising other home service businesses (including Restoration 1®, BlueFrog Plumbing + Drain® and The Driveway Company® franchised businesses) as well as the experience of certain The Driveway Company® franchisees that were authorized by Softroc, LLC to offer Softroc Services as part of a pilot program prior to our acquisition~~

~~of Softroc, LLC.~~

8. In addition to the cost of the Training Program paid to us as described above, you must incur the costs for you and your trainees to attend Training Program (as defined in Item 11) for you (or if you are a legal business entity, your Owners) and up to three additional employees (one of which must be your Designated Manager, if applicable). If you sign the TDC Services Addendum at the same time as your Franchise Agreement, we may provide the TDC Services training to you at the same time as the Training Program. However, if you sign the TDC Services Addendum at any time following your completion of the Training Program, you will be responsible for additional costs and expenses associated with your Key Personnel attending such TDC Services training. For the estimate above, we assume that you will send between 1 to 3 individuals to training. We do not include fees or costs for any additional trainees. You are responsible for all travel and living expenses (including, wages, transportation, food, lodging, and workers' compensation insurance) that you and your Key Personnel (as defined in Item 11) incur during any and all meetings and/or training courses and programs. The total cost will vary depending on the number of people attending, how far you and your Key Personnel will travel, and the type of accommodation chosen. We assume for the estimate above, that all attendees will share one rental car. If we or our representatives travel to your area to conduct any training of any kind, you are also responsible for the travel and living expenses and out-of-pocket costs that we and such representatives incur. The estimate provided does not include the cost of our personnel travelling to your area to provide the Training Program.

9. We will provide you our System Standards for a service vehicle, which you must obtain (lease or purchase) prior to the start of operations of your Franchised Business. The service vehicle must be wrapped and lettered in accordance with the System Standards and must accommodate the required equipment to operate your Franchised Business. The low estimate assumes that you own an acceptable late-model tradesman van. The high estimate represents an estimated purchase price of a tradesman van.

10. During your first three months of operation, we recommend you spend at least $500 on local advertising and promotion of your Franchised Business, including online and internet marketing and advertising, dues for business organizations and events, or other solicitation and promotional efforts. However, you may elect to spend more than the minimum amount on your grand opening marketing program. The amount you spend will depends on several factors, including the local market conditions and the amount of competition in your area, and other factors. You may not use any advertising, promotional, or marketing materials that we have not approved.

11. You must maintain in force at your sole expense the minimum types and amounts of insurance that we require. Our current insurance requirements are detailed in Item 8, though we may change the requirements at any time with written notice to you. Insurance costs depend on policy limits, types of policies, nature and value of physical assets, business revenue, number of employees, location, and other factors bearing on risk exposure. Insurance providers may require either an annual payment or semi-annual installments. The amounts listed above estimate the cost of your premiums for the first 3 months of operations.

12. You must obtain and provide us with copies of all permits and licenses required to operate your Franchised Business, including those specified as mandatory in the Confidential Operations Manual and by state and local law. The permitting process and attendant licensing and permitting costs may vary substantially by local jurisdiction.

13. ~~12.~~ You may ~~have additional expenses beyond those listed above. We strongly recommend that~~incur other types of professional fees including fees for legal and accounting services. You ~~hire~~may require an accountant~~, business advisor or other professional to assist you in developing a budget for the~~

~~development, opening and operation of your TDC Business.~~ and an attorney to provide services to help you form a new business entity to own your Franchised Business and review contracts and other documents, including this Disclosure Document. These fees may vary from location to location depending on the prevailing rates of local professionals. You may also elect to retain additional business consultants, general contractors, or other representatives to assist you, which may cause your expenses to be higher than the amounts listed.

14. To provide TDC Services through your Franchised Business, you must obtain an initial supply of inventory and mixing equipment (approximately $1,500 to $3,500), organize additional marketing and advertising (approximately $500 to $2,500) and obtain any additional business or professional licenses (approximately $1,000). The low-end estimate is $0 because you are not required to offer TDC Services.

15. You are required to use our designated point-of-sale system. You will pay our designated vendor an initial one-time license fee of $1,495, which covers 1 user license to the POS system.

16. The figures in the chart reflect estimated working capital needs for a three-month period. Additional funds include technology fees, and operating expenses, including rent, storage space rental costs, utilities, and employees' salaries. These amounts do not include any estimates for debt service on loans that you obtain to finance your Franchised Business, and the estimates do not include any salary for your Owners during the initial phases of operations.

17. In compiling this chart, we relied on our and our affiliates' industry knowledge and experience in developing home service businesses, including Softroc Businesses and affiliated franchise businesses.

~~13. If you are a TDC Conversion Franchisee or an authorized Softroc dealer, you may already own many of the items listed in the table above, in which case your initial investment will be less. If you are a TDC Conversion Franchisee or authorized Softroc dealer who has already completed the training program conducted by a Rubaroc representative, then you will not be required to: (a) pay Rubaroc the $3,000 initial training fee; or (b) purchase $10,000 worth of Softroc Product from Rubaroc. If you are a TDC Conversion Franchisee or authorized Softroc dealer who has not yet completed the initial training program conducted by a Rubaroc representative, then you must either: (a) pay Rubaroc the $3,000 initial training fee; or (b) purchase $10,000 worth of Softroc Product from Rubaroc (regardless of the quantity of Softroc Product you already have in stock).~~

ITEM 8

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

Specifications for Products, Services and Suppliers

~~**Source Restricted Purchases and Leases – Generally**~~

All products, supplies, equipment, and other items provided by your Franchised Business must comply with our System Standards. You must obtain and use the equipment, supplies, inventory, and other products, assets, and services we designate periodically as meeting our System Standards, including your Technology Systems, service vehicles, and any other equipment, supplies, inventory, signage, third-party services, and signs and other products and services that that we approve for Softroc Businesses. You may not use any other equipment, supplies, inventory, and other products, assets, and services that do not meet our System Standards without our express approval. We may require that you purchase any products or services only from a supplier designed or approved by us, and/or that satisfy our System Standards, which may be a third-party vendor or supplier, or may be us or an affiliate of us.

We are under no obligation to authorize every Softroc Business to offer the same services, products, supplies, equipment, and other items. We may condition our approval for you to offer any services, products, supplies, equipment and other items on our then-current criteria, including your compliance with your Franchise Agreement, and requirements relating to product quality, prices, consistency, reliability, financial capability, labor relations, customer relations, frequency of delivery, concentration of purchases, standards of service or other criteria. We may elect not to issue to you or any of our approved suppliers these standards and specifications. Our standards and specifications for products and services and criteria for suppliers are not currently issued to franchisees or approved suppliers.

If you wish to use any products, services, or suppliers that we have not approved, you must first send us sufficient information, specifications and samples for us to determine whether the service, product, or supplier complies with our System Standards. You must bear all expenses incurred by us in connection with determining whether we will an item, service, or supplier (estimated currently, $500 to $1,000 per request). Currently, we estimate that we will provide notice of our decision to approve or disapprove an alternative supplier within 30 days of receiving the request. We are not required to consider alternative suppliers and we may refuse to consider such requests for any reason. You must bear all expenses incurred by us in connection with determining whether we will approve an item, service or supplier. Approval of a supplier may be conditioned on the supplier's ability to provide a sufficient quantity of product; quality of products or services at competitive prices; production and delivery capability; and dependability and general reputation. We may revoke our approval of any products, services, or suppliers at any time by providing you notice. You must promptly cease using, selling, or providing any products, services, or suppliers disapproved by us.

Currently, you must purchase ~~or lease certain "source restricted" goods and services for the development and ongoing operation of your Business. By "source restricted," we mean that the good or service must meet our specifications and/or must be purchased from an approved or designated supplier (in some cases, an exclusive designated supplier, which may be us or an affiliate). Our specifications and list of approved and designated suppliers are contained in the Manual. We will notify you within 30 days of any changes to our specifications or list of approved or designated suppliers. We may notify you of these changes in various ways, including written or electronic correspondence, verbal or telephonic notification, amendments or updates to the Manual, bulletins, or other means of communication.~~: (i) the Softroc Products, bookkeeping and accounting software, reputation management software, vehicle wraps, collateral merchandise, the POS system and associated POS and business management software from our exclusive designated vendors; and (ii) all other operating equipment, service vehicles, uniforms, inventory, uniforms, marketing materials, and other products and services from other approved suppliers.

~~Supplier Criteria~~

Neither we nor our affiliates are suppliers of goods and services to franchisees. None of our officers have an interest in any privately held suppliers, or a material interest in any publicly held suppliers.

~~Our criteria for evaluating a supplier include standards for quality, delivery, performance, design, appearance and price of the product or service as well as the dependability, production and delivery capability, reputation and financial viability of the supplier. Upon your request, we will provide you with any objective specifications pertaining to our evaluation of a supplier, although certain important subjective criteria (e.g., product appearance, design, functionality, etc.) are important to our evaluation but cannot be described in writing.~~

~~If you want to purchase or lease a source restricted item from a non-approved supplier (or purchase a non-approved source restricted item), you must send us a written request for approval and submit all additional information we request. We may require that you send us samples from the supplier for testing. We may also require that we be allowed to inspect the supplier's facilities. We will notify you of our approval or disapproval within 30 days after we receive your request for approval and all additional information and samples we require. We may, at our option, re-inspect the facilities and products of any approved supplier~~

~~and revoke our approval if the supplier fails to meet any of our then-current criteria. If we revoke our approval of a supplier, we will notify you in writing (either by notifying you of updates to the list of approved suppliers in the Manual or by separate written notice to you). You must reimburse us for all costs that we incur in reviewing a proposed supplier and testing the products. We may refuse to consider alternative suppliers for certain items you must purchase (such as your inventory of EPDM rubber granules, SBR rubber granules and polyurethane binders).~~

~~Current Source Restricted Items~~

~~We estimate that nearly 90% of the total purchases and leases that will be required to establish your Business and nearly 100% of your ongoing operating expenses will consist of source restricted goods or services, as further described below.~~

~~*Vehicle*~~

~~You will need either a tradesman van or a pickup truck with trailer to accommodate the required equipment. The vehicle must meet our standards and specifications and must include the wraps we specify. You may purchase your vehicle from any supplier of your choosing.~~

Collectively, the purchases you obtain according to our specifications or from approved or designated suppliers represent approximately 90% of your total purchases to establish your Franchised Business and approximately 90% of your total purchases to operate your Franchised Business.

~~*Operating Equipment*~~

~~You must purchase certain operating equipment that meets our standards and specifications, including all of your mixing equipment. You must purchase this equipment exclusively from suppliers we designate or approve. Currently, Rubaroc is the exclusive designated supplier for this equipment.~~

Insurance

~~*Computer System*~~

~~Your computer system and POS system must meet our standards and specifications. You may purchase your computer and mobile tablet/device from any supplier of your choosing. You must license all software we specify.~~

During the term of the Franchise Agreement, you must maintain in force at your sole expense the minimum types and amounts of insurance that we require as part of our System Standards, including:

~~*Technology Services*~~

- "All risk" property insurance coverage for the replacement value of the assets of your Franchised Business
- Workers' compensation insurance as required by state law and employer liability coverage with a minimum limit of $100,000 per incident and $500,000 for the policy limit
- Comprehensive general liability insurance with a minimum liability coverage of $1,000,000 per occurrence and an aggregate limit of $2,000,000
- Business interruption insurance with a minimum coverage of $100,000
- Automobile liability insurance of at least $1,000,000
- Errors and omissions coverage in the amount of $1,000,000

We ~~currently~~may require that you ~~purchase certain technology-related services exclusively from us. You must pay us a monthly technology fee that covers the costs for website and email hosting and use of our designated business management and POS system (we license the business management and POS software from a third-party licensor and sublicense it to our franchisees).~~ obtain all or a portion of your insurance policies from a designated supplier and on the terms and according to the specifications we approve.

We may require increased coverage if you wish to serve National Account Clients. The liability insurance must cover claims for bodily and personal injury, death, and property damage caused by or occurring in connection with your Franchised Business' operation or activities of you and your personnel. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverages at any time. These insurance policies must be purchased from licensed insurers having a rating of "A/VIII" or higher.

~~*Uniforms*~~

~~Your employees must wear the uniforms that we specify. You must purchase these uniforms from a designated or approved supplier.~~

Each insurance policy for liability coverage must name us and any affiliates we designate as additional named insureds, using a form of endorsement that we have approved, and provide for 30 days' prior written notice to us of a policy's material modification, cancellation, or expiration. Each insurance policy must contain a waiver of all subrogation rights against us, our affiliates and their successors and assigns. You must routinely furnish us with copies of your Certificates of Insurance or other evidence of your maintaining this insurance coverage and paying premiums. If you fail or refuse to obtain and maintain the insurance we specify, in addition to our other remedies including termination, we may (but are not required to) obtain such insurance for you and your Franchised Business on your behalf, in which event you must cooperate with us and reimburse us on demand for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee.

~~*Inventory*~~

Revenue Derived from Franchisee Purchases and Leases

~~All inventory must meet our standards and specifications. You must purchase your entire supply of inventory (including EPDM rubber granules, SBR rubber granules and polyurethane binders) exclusively from our designated supplier (currently, Rubaroc).~~

~~*Marketing Materials and Services*~~

~~All marketing materials must comply with our standards and requirements. We must approve all of your marketing materials before you use them. You must purchase all branded marketing materials only from us or other suppliers we designate or approve, including brochures and business cards. We may require that you utilize a designated supplier to provide social media marketing on your behalf.~~

~~*Call Center Services*~~

~~We may require that you participate and utilize the call center program that we designate. The call center may be administered by us or a third-party provider that we designate.~~

~~*Insurance Policies*~~

~~You must obtain the insurance coverage we require from time to time (whether in the Franchise Agreement or in the Manual). You agree to obtain these insurance policies from insurance carriers that are rated A or better by Alfred M. Best & Company, Inc. and that are licensed and admitted in the state in which you operate your Business. The required coverage currently includes:~~

~~Policy Type~~	~~Minimum Coverage~~
~~"All risk" Property Insurance~~	~~Replacement Value~~
~~Comprehensive General Liability Insurance~~	~~$1,000,000 per occurrence and $2,000,000 in the aggregate~~
~~Automobile Liability Insurance~~	~~$1,000,000 per occurrence~~
~~Business Interruption Insurance~~	~~Minimum coverage of $100,000~~
~~Employer's Liability Insurance~~	~~$100,000 per occurrence and $500,000 for policy limit~~

~~Policy Type~~	~~Minimum Coverage~~
~~Worker's Compensation Insurance~~	~~As required by law~~
~~Other Insurance~~	~~Any additional insurance required by law~~

~~The required coverage and policies are subject to change. All insurance policies must be endorsed to: (a) name Softroc Global, LLC as an additional insured (utilizing Grantor of Franchise endorsement CG 20 29 or endorsement with comparable wording); (b) contain a waiver by the insurance carrier of all subrogation rights against us; and (c) provide that we receive 10 days' prior written notice of the termination, expiration, cancellation or modification of the policy. Your insurance must include coverage under the indemnity provisions in the Franchise Agreement.~~

~~Purchase Agreements~~

We and/or our affiliates may derive compensation or other benefits based on your purchases or leases, including from designated or approved suppliers. We have the right to retain such compensation or benefits and you will have no interest in or claim to such compensation or benefit. We currently receive the following compensation from suppliers to franchisees: (i) 0.5% of the total purchases made by franchisees of contractor supplies; (ii) 3% of the total purchases made by franchisees of computer and breakroom supplies; (iii) 2% of the total fees paid by franchisees for equipment rentals; and (iv) 3% of the total purchases made by franchisees of Softroc Products. During our last fiscal year, we derived $10,324 on account of franchisee purchases and leases (2.9% of our total revenue of $359,731).

Other than the foregoing amounts, in our prior fiscal year neither we nor our affiliates: (a) received any compensation or benefits from suppliers on the basis of sales to franchisees, or (b) derived any revenue from the sale of products and services to our franchisees.

Purchasing Cooperatives and Arrangements

~~We will try to~~There are no purchasing or distribution cooperatives in existence for the System. We may negotiate ~~relationships~~purchase arrangements with suppliers ~~to enable our affiliates and franchisees to purchase certain items at discounted prices. If we succeed, you may purchase these items at the discounted prices we negotiate (less any rebates or other consideration paid to us). We also reserve the right to purchase the items in bulk and resell them to you at our cost plus a reasonable markup~~, including price terms, for the benefit of franchisees. As of the issuance date of this Disclosure Document, we have negotiated purchase agreements (including pricing terms) with suppliers for the following goods and services:

- Softroc Products, ~~Softroc Product (i.e., EPDM rubber granules, SBR rubber granules and polyurethane binders)~~
- credit card processing services
- , certain chemicals used for ~~driveway construction and repair~~
- installation and repairs, computer and breakroom supplies
- , equipment rentals
- , contractor supplies
- , contractor employment services.

~~As discussed in Item 1, we entered into a Supply Agreement with Rubaroc for the ongoing supply of Softroc Product and mixing equipment to our franchisees. Under the Supply Agreement, Rubaroc agreed to sell Softroc Product to our franchisees at a 20% discount off its then-current wholesale list price. Rubaroc also agreed that our franchisees will receive the lowest pricing offered by Rubaroc in North America for similar~~

~~products (regardless of the name of the product). The Supply Agreement prohibits Rubaroc from discontinuing its supply of Softroc Product unless it also ceases to offer the same product to other customer (either under the name Softroc or under any other name). Rubaroc can modify the Softroc Product but must notify us of any product changes in a timely manner.~~

~~Currently there are no purchasing cooperatives, although we reserve the right to establish them in the future. You do not receive any material benefits for using designated or approved suppliers other than having access to any discounted pricing we negotiate.~~

~~Franchisor Revenues from Source Restricted Purchases~~

You may be required to purchase these items at a price or on other terms we have negotiated in advance. We do not provide you with any material benefit (such as renewal rights or additional franchise rights) based on your purchase of particular products or services or use of particular suppliers.

~~We are currently the designated supplier for our required business management and POS software. We license this software from a third-party licensor and sublicense it to you. We may designate ourselves as an approved or designated supplier for other items in the future. We and our affiliates may generate revenues from these purchases. As of the issuance date of this Disclosure Document, there are no approved or designated suppliers in which any of our officers owns an interest. However, our officers may, from time to time, own non-material interests in publicly-held companies that may be suppliers to our franchise system. No person affiliated with us is currently an approved (or the only approved) supplier. As a result, none of our affiliates derived any revenues during the fiscal year ended December 31, 2021 based on franchisee purchases and leases from suppliers.~~

~~We may receive rebates, payments or other material benefits from suppliers based on franchisee purchases and we have no obligation to pass them on to our franchisees or use them in any particular manner. As of the issuance date of this Disclosure Document, we receive the following rebates from suppliers:~~

- ~~a supplier pays us a rebate equal to 0.5% of the total purchases made by franchisees of contractor supplies and also pays the franchisee making the purchase a rebate equal to 0.5% of the total purchases made by that franchisee~~

- ~~a supplier pays us a rebate equal to 3% of the total purchases made by franchisees of computer and breakroom supplies~~

- ~~a supplier pays us a rebate equal to 2% of the total fees paid by franchisees for equipment rentals and also pays the franchisee renting the equipment a rebate equal to 2% of the total fees paid by that franchisee~~

Call Center Program

- ~~a supplier pay us a rebate equal to 3% of the total purchases made by franchisees of Softroc Product and equipment~~

If we require, you will participate in the call center program we establish, which may include using and publishing a telephone number we designate, receiving calls from a call center established and operated by us, engaging a designated service provider (which may be us, our affiliate, or a third party) to answer calls, set customer appointments, and provide other related services, and acquiring, installing, and using related technology, and using designated service providers. You must pay all fees imposed by the service provider for these services and enter into any related user or service agreements. At any time that a call center program is not implemented, you must arrange for the answering of all incoming phone calls during regular business hours. In addition to our other remedies under your Franchise Agreement, if you fail to comply with this requirement on two or more occasions, then we may require you to engage the services of a professional call center services provider approved in advance by us, at your expense.

~~Our total revenues during the fiscal year ended December 31, 2021 were $111,186. During that year, we received a total of $12,010 in revenue as a result of franchisee purchases or leases of goods or services~~

~~from designated or approved suppliers (including $9,775 in technology fees and $2,235 in rebates), which represents 11% of our total revenues for that year.~~

ITEM 9

~~ITEM 9~~ FRANCHISEE'S OBLIGATIONS

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

Obligation	~~SECTIONS IN~~ Franchise Agreement Section(s)	Disclosure Document Item
a. Site selection and acquisition/lease	Section ~~7.4~~1	~~Item 7 & Item 11~~11 and 12
b. Pre-opening purchases/leases	~~Section 7.1, 7.2, 7.3, 7.4, 12.6 & 15.1~~Sections 4 and 10.3	~~Item 7, Item 8 & Item 11~~7 and 8
c. Site development and other pre-opening requirements	Section ~~7~~4	~~Item 6, Item 7 & Item 11~~7, 8, and 11
d. Initial and ongoing training	Section ~~5~~7; TDC Services Addendum Section 4; TDC Conversion Addendum Section 2	~~Item 6 & Item 11~~6, 7, and 11
e. Opening	Section ~~7.5~~4.3	~~Item 11~~11
f. Fees	Section ~~5.7, 6.2, 6.7, 6.8, 8.4, 11, 12.4; 12.9, 12.13, 13, 15.1, 16.2, 19.2, 21.2 & 21.3~~2; Summary Page; TDC Conversion Addendum Section 1; TDC Services Addendum Section 6	~~Item 5 & Item 6~~5, 6, and 7
g. Compliance with standards and policies/Operating Manuals	~~Section 3~~Sections 5, 6.1, ~~7.1, 11.3, 12 & 17.1~~8 and 11	~~Item 11~~8, 14, and 16
h. Trademarks and proprietary information	Section ~~17~~5, 6.1, 8.1 and 8.2; TDC Services Addendum Section 3	~~Item 13 & Item 14~~13 and 14
i. Restrictions on products/services offered	~~Section 12.3~~Sections 8.1, 11.1, 11.2, 11.11 and 11.12; TDC Services Addendum	~~Item 16~~8 and 16
j. Warranty and ~~client~~customer service requirements	~~Section 12.4 & 12.12~~Sections 11.6 and 11.8	~~Not Applicable~~16
k. Territorial development and sales quotas	~~Not Applicable~~Sections 1.2 and 11.10	~~Item 12~~12
l. Ongoing product/service purchases	Section ~~12.7~~11.1	~~Item 8~~8 and 11
m. Maintenance, appearance and remodeling requirements	~~Section 12.8~~Sections 4, 8.1, 8.3 and 11.3	~~Item 11~~6
n. Insurance	Section ~~15.1~~11.14	~~Item 6~~6, ~~Item 7 & Item~~7, and 8

Obligation	~~Sections in~~ Franchise Agreement Section(s)	Disclosure Document Item
o. Advertising	Section ~~11~~9	~~Item 6, Item 7 & Item 11~~6, 7, and 11
p. Indemnification	Section ~~18~~16.2	~~Item 6~~6
q. Owner's participation/ management/staffing	~~Section 8~~Sections 11.4 and 11.5	~~Item 11 & Item 15~~15
r. Records/reports	Sections 10.1 and 10.2; TDC Services Addendum Section ~~15.2 & 15.3~~5	~~Item 6~~11
s. Inspections/audits	~~Section 16~~Sections 10.1, 10.2 and 10.4	~~Item 6 & Item 11~~6, 11, and 13
t. Transfer	Section ~~19~~14	~~Item 17~~6 and 17
u. Renewal	Section ~~4~~3.2	~~Item 17~~17
v. Post termination obligations	Sections 6 and 13; TDC Services Addendum Section ~~21~~10	~~Item 17~~17
w. Non-competition covenants	Sections 6.3 and 13.4; TDC Services Addendum Section ~~14~~7	~~Item 17~~17
x. Dispute resolution	Section ~~22~~18	~~Item 17~~17
y. ~~Franchise Owner Agreement (brand protection covenants, transfer restrictions and financial assurance for owners)~~Unlimited Guaranty and Assumption of Obligations	Section ~~9 & ATTACHMENT "B"~~15.3	~~Item~~ 15

ITEM 10 ~~FINANCING~~

FINANCING

We do not offer direct or indirect financing. We do not guarantee ~~any of~~ your ~~notes, leases or obligations~~note, lease, or obligation.

ITEM 11

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

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

Before you ~~open~~begin operating your Franchised Business, we will:

1. Make available to you our System Standards for your Franchised Business Office, service vehicle, service tools, and equipment and other equipment and supplies necessary for the establishment and development of Softroc Businesses (Franchise Agreement, Sections 1.1, 4 and 11.1).
2. Make our Training Program available to you (or if you are a business entity, your Owners) and up

to three employees or representatives (one of which must be your Designated Owner or Designated Manager, as applicable) (Franchise Agreement, Section 7.1).

~~1. License you the Marks necessary to begin operating your Business. (Section 2)~~

~~2. Provide access to our Manual, which will help you establish and operate your Business. See Section below entitled "Manual" for additional information. (Section 6.1)~~

~~3. Provide our written specifications for the goods and services you must purchase to develop, equip and operate your Business and a list of approved and/or designated suppliers for these goods and services. We do not deliver or install any items that you purchase. (Section 12.2)~~

~~4. Provide an initial supply of marketing materials. See Section below entitled "Local Advertising" for additional information. (Section 11.2)~~

~~5. Provide you with our suggested marketing plan for your Business and an initial supply of marketing materials. See Section below entitled "Local Advertising" for additional information. (Section 11.2)~~

~~6. Provide an initial training program. See Section below entitled "Training Program" for additional information. (Section 5)~~

~~During the operation of your Business, we will:~~

~~1. Provide our guidance and recommendations to improve the operation of your Business. (Section 6.2)~~

~~2. Provide periodic training programs. See Section below entitled "Training Program" for additional information. (Section 5)~~

~~3. Maintain a corporate website to promote our brand. We will also develop and host a local landing page for your Business that will be linked to our corporate website. We can modify or discontinue this website (and your local landing page) at any time. (Section 6.5)~~

~~4. Establish and implement the brand and system development fund. See Section below entitled "Brand and System Development Fund" for additional information. (Section 11.1)~~

3. ~~5.~~ Provide you with ~~our suggested retail pricing. To the extent permitted by applicable law, we may set maximum or minimum prices on the goods and services you sell. (~~access to the Confidential Operations Manual (Franchise Agreement, Section ~~12.5~~8.2).

Site Selection

If you have not identified the site that will be your Franchised Business Office before you sign your Franchise Agreement, you will have a period of 90 days after signing to obtain our approval of the proposed site of your Franchised Business Office. Currently, we estimate that we will provide notice of our decision to accept or reject a proposed site within 30 days of receiving the request. The criteria we use to evaluate the selected site include visibility, size, layout, adjacent uses, parking, demographics, local competition, and other factors we determine periodically. Neither we nor our affiliates generally own the sites for your Franchised Business Office or lease those sites to franchisees.

The service tools and equipment for your Franchised Business may not be stored at the any location other than the Franchised Business' Office without our approval. You are solely responsible for obtaining occupancy rights to the Franchised Business Office, and for maintaining, insuring, and paying all associated costs for the Franchised Business Office. You must manage and administer your

Franchised Business from the Franchised Business Office, including maintaining the books and records of your Franchised Business at the Franchised Business Office. We may periodically establish System Standards for the Franchised Business Office, including relating to size, safety, or insurance requirements, and you must comply with all System Standards.

If there is insufficient space at the Franchised Business Office to store your Franchised Business' service tools and equipment, then you may be permitted to store the same off-site within a leased storage unit, provided that you inform us in writing of the location of the storage unit. The storage unit may not display any signage reflecting the Marks. We may periodically establish other System Standards for off-site storage, including relating to size, safety, or insurance requirements, and you must comply with all System Standards for such off-site storage. We may in the future make off-site storage mandatory if we determine that it is necessary to satisfy our System Standards, or that your Franchised Business Office does not offer sufficient storage, though we do not currently do so.

Opening of Franchised Business

We estimate that you will begin operating your Franchised Business within 150 days of signing the Franchise Agreement. We may terminate the Franchise Agreement if you fail to begin operating your Franchised Business within this time period. The date you may begin operating your Franchised Business will depend on whether you have completed all of the following requirements, all of which are mandatory prior to commencing operations: (a) obtain and provided us copies of all certifications, permits and licenses required to operate your Franchised Business, including those specified as mandatory in the Confidential Operations Manual; (b) establish the Franchised Business Office; (c) acquire and set-up all required office equipment including broadband or high-speed internet service; (d) acquire and set up at least one telephone number dedicated to your Franchised Business; (e) acquire a service vehicle meeting our System Standards, and have it wrapped and lettered it in accordance with our System Standards; (f) acquire the service tools and equipment required for the operation of your Franchised Business; (g) if necessary, secure off-site storage space for tools and equipment; (h) furnish us with copies of all insurance policies required by your Franchise Agreement, or by the lease, or such other evidence of insurance coverage and payment of premiums as we may request; (i) complete the Training Program to our satisfaction; (j) hire and train the personnel necessary or required for the operation of your Franchised Business; and (k) pay in full all amounts due to us. You may not commence operations until you have met all of the conditions above and our System Standards, and you receive notice from us that you are authorized to open.

Confidential Operations Manual

We will make information about the System Standards, and other suggestions and general guidance for operating a Softroc Business available to you, which may include one or more manuals, bulletins, publications, newsletters, memoranda, videos, and other communications from us and our representatives, in printed, electronic, audio/video, or other form (collectively, the "Confidential Operations Manual"). We may modify the Confidential Operations Manual periodically, including changing System Standards. If there is a dispute over its contents, our master copy of the Confidential Operations Manual will control. The Confidential Operations Manual's contents are considered Confidential Information and you will not disclose the Confidential Operations Manual to any person other than any employee who needs to know its contents to perform its duties. You may not copy, duplicate, record, or otherwise reproduce any part of the Confidential Operations Manual without our approval. We may make some or all of the Confidential Operations Manual available through an Online Presence (as defined below). If we do so, you must monitor and access that Online Presence for any

updates to the Confidential Operations Manual. Any passwords or other digital identifications necessary to access the Confidential Operations Manual on any Online Presence will be deemed to be part of Confidential Information. The approximate total number of pages in the Confidential Operations Manual is 60 for a Softroc Business, plus an additional manual of 153 pages if you offer TDC Services. The Table of Contents of the Confidential Operations Manuals, along with number of pages devoted to each section, are included as Exhibit D to this Disclosure Document.

~~During the operation of your~~**After you begin operating your Franchised Business, we** ~~may, but need not~~**will:**

1. ~~Conduct~~Make periodic ~~field~~ visits to ~~provide onsite~~your Franchised Business (or any job site for services conducted by your Franchised Business) for the purpose of consultation, assistance, and guidance ~~pertaining to~~with respect to various aspects of the operation and management of your Franchised Business~~.~~ (Franchise Agreement, Section ~~6.3~~10.4 and 11.13).
2. Indemnify you if anyone challenges your right to use the Marks, provided you have complied with your Franchise Agreement (Franchise Agreement, Section 5.4).

~~2. Negotiate purchase agreements with suppliers to allow you to purchase certain goods or services at discounted prices. We may also purchase items in bulk at discounted prices and resell them to you at our cost plus shipping and a reasonable markup. (Section 6.7)~~

~~3. Hold periodic national or regional conferences to discuss business and operational issues affecting franchisees, including industry changes, new services, products, application techniques, marketing strategies and the like. (Section 5)~~

~~4. Implement a call center program, pursuant to which you will receive for a payment of corresponding fees, certain call center services, including call routing and scheduling services. If we establish a call center program, you must participate and pay the associated fees unless we waive the requirement. (Section 6.8)~~

~~5. Provide additional training or assistance that you request (either at our headquarters or within your territory). See Section below entitled "Training Program" for additional information. (Section 5)~~

~~6. Establish relationships with National Account customers and refer projects to you. A "National Account" is a commercial customer that has multiple outlets, offices, properties or other facilities, one or more of which may be located in your territory. We may (but need not) refer to you certain projects for National Account customers involving properties located within your territory. We have no obligation to refer these projects to you, and we may complete these projects ourselves, or appoint other franchisees or dealers to complete these projects, including projects involving properties located within your territory. You must notify us within 48 hours whether you choose to accept or decline any project we refer to you. If you choose to accept the work, you must honor the terms of any contract we have entered into with the National Account customer (including pricing terms). (Section 6.9)~~

~~**Training Program** (Section 5)~~

~~We will provide an initial training program for your Managing Owner and designated manager (your Managing Owner may, but need not, serve as your designated manager). You may send up to 2 additional persons of your choosing to additional training, but it is not required. Your Managing Owner and designated manager must successfully complete initial training to our satisfaction approximately 3 to 4 weeks before you open your Business. "Successful completion" may require passing various tests at the end of training.~~

~~The initial training program includes approximately 2 weeks of training. Part of this training takes place at~~

our corporate headquarters in Dallas, Texas. The remainder of training takes place at Rubaroc's corporate facility in Waco, Texas. However, we reserve the right to change the location for training and/or conduct the initial training program virtually. Currently, we intend to offer the initial training program every 5 to 6 weeks assuming sufficient demand.

Training Topics

As of the issuance date of this Disclosure Document, our initial training program consists of the following:

TRAINING PROGRAM*

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS ON THE JOB TRAINING	LOCATION
Service	8	0	Dallas, Texas
Sales	8	0	Dallas, Texas
Marketing	8	0	Dallas, Texas
Management	8	0	Dallas, Texas
Technology	8	0	Dallas, Texas
Product Knowledge & Application	0	32	Dallas, Texas
Total	40	32	

* We expect that your attendees will advance through the training program at different rates depending on a variety of factors, including background and experience. The time frames provided in the chart are an estimate of the time it will take to complete training. We will send you on actual jobs. We cannot predict precisely the types and volumes of jobs that the Dallas, Texas, or other training area will have while you are in training. Classroom training occurs in between jobs and so those times are estimates as well.

Training Materials

The training materials will consist of the Manual and other supplementary materials we provide, as well as the operating equipment you must purchase. You will not be charged an additional fee for any of the training materials other than the operating equipment you must purchase from our designated supplier in order to establish your Business.

Instructors

As of the issuance date of this Disclosure Document, our instructors include Courtney Harmon, Stephen Dillan Finch and Nichole Morris. We may change the instructors at any time. All instructors will have a minimum 1 year of experience in the relevant field.

Courtney Harmon is our President and has been with us since April 2021. She provides instruction on topics relating to service, sales, marketing, management and technology. She has a total of 3 years of experience in the field of rubber surfacing and 17 years of franchise experience.

Stephen Dillan Finch joined us in April 2021. Since March 2020, he has been an instructor for The Driveway Company® initial training program administered by our affiliate, TDC Franchising, LLC. Stephen is a Franchise Coach who provides instruction on topics relating to service, sales, marketing, management and technology. He has a total of 3 years of experience in the field of concrete maintenance, repair and resurfacing, including being employed by a The Driveway Company® franchisee since November 2019.

Nichole Morris joined us in April 2021. She is a Franchise Coach who provides instruction in the area of field operations. During the 1-year period preceding the date we acquired Softroc, LLC, Nichole was

~~involved with the Softroc dealer operational training program offered by Softroc, LLC. She also has more than 15 years of training experience in physical therapy. She has a total of 2 years of experience in the field of rubber surfacing.~~

~~*Ongoing Training*~~

~~From time to time, we may require that your Managing Owner and designated manager attend system-wide refresher or additional training courses.~~

~~If you appoint a new Managing Owner or designated manager, that person must attend and successfully complete our initial training program (including any training required by Rubaroc) before assuming responsibility for the management of your Business.~~

~~If we conduct an inspection of your Business and determine that you are not operating in compliance with the Franchise Agreement and/or the Manual, we may require that the Managing Owner and your designated manager attend remedial training that addresses your operational deficiencies.~~

~~You may also request that we provide additional training (either at corporate headquarters or onsite in your territory). We are not required to provide this additional training.~~

~~*Training Fees and Costs*~~

~~We will provide our pre-opening initial training program at no additional charge. However, you must pay a $3,000 initial training fee to Rubaroc for the portion of the training program conducted by Rubaroc's representative. We may charge you a training fee of up to $600 per person per day for:~~

- ~~each person that attends our initial training program after you open your Business (such as a new Managing Owner or designated manager)~~
- ~~any person who retakes training after failing a prior attempt~~
- ~~any remedial training we require based on your operational deficiencies~~
- ~~each person to whom we provide additional training you request~~
- ~~each person who attends any system-wide or additional training we conduct~~
- ~~any special assistance you request beyond what we must provide under the Franchise Agreement~~

~~If we agree to provide onsite training or assistance, you must also reimburse us for all costs incurred by our representative for meals, travel and lodging. You are responsible for all expenses and costs your trainees incur for training, including wages, travel and living expenses. If you transfer your franchise, we may charge the new franchisee our then-current initial training fee in addition to the transfer fee you must pay.~~

~~**Manual** (Section 6.1, 12.2 & 24.8)~~

3. ~~We will~~Continue to provide you with ~~access to our Manual in text or electronic form during the term of your franchise. The Manual may include, among other things:~~ modifications to the Confidential Operations Manual (Franchise Agreement, Sections 8 and 11.1).

- ~~a description of the authorized goods and services you may sell~~
- ~~required specifications, operating procedures and quality standards~~

4. Administer the Brand Fund as required by the terms of the Franchise Agreement (Franchise Agreement, Section 9.2).
5. Establish prices charged to National Account Clients and prices for products or services sold through any Franchise System Website (as defined below) (Franchise Agreement, Section 11.11 and 11.12).

Advertising and Promotion

Local Advertising. You are solely responsible for conducting all local advertising for your Franchised Business. You must advertise and market your Franchised Business in any advertising medium we determine, using forms of advertisement we approve. You must also list your Franchised Business with the online directories and subscriptions we periodically prescribe, and/or establish any other Online Presence we require. You must comply with all of our System Standards for your advertising. All advertising materials that you use and any advertising activities that you conduct must be factually accurate, conform to the highest standards of ethical advertising, and comply with all federal, state and local laws. You must ensure your advertisements and promotional materials do not infringe upon the intellectual property rights of others.

~~• reporting and insurance requirements~~

You must submit to us, for our approval prior to use, all advertising and promotional materials that you wish to use to promote your Franchised Business and/or that display the Marks. You may not use any advertising, promotional, or marketing materials that we have not approved. We may revoke our approval of any advertising, promotional, or marketing materials at any time. You must promptly cease using any advertising, promotional, or marketing materials disapproved by us.

~~• specifications for your service vehicle~~

We may require you to spend a minimum of up to 2% of Collected Gross Revenue each month on advertising, promotions, and public relations for your Franchised Business in your Market Territory ("Local Advertising Expenditure"). We will determine what type of expenditures will count towards your Local Advertising Expenditure. Indirect costs you incur in managing your local advertising campaigns, such as salaries and benefits of employees administering the campaigns, will not be counted towards your Local Advertising Expenditure. Additionally, any costs you incur for advertising conducted at the Franchised Business Office and/or on service vehicle(s), such as in-store signage or vehicle wraps , will not be counted towards your Local Advertising Expenditure. At our request, you must send us an accounting of your Local Advertising Expenditures. We may periodically require you to pay part or all of the Local Advertising Expenditure to the Brand Fund, in addition to the Brand Fund Contribution. We may at any time, with at least 30 days' notice to you, change the proportion of the Local Advertising Expenditure that you must spend directly, versus contribute to the Brand Fund.

~~• policies and procedures pertaining to marketing and advertising~~

~~• policies and procedures pertaining to gift card programs~~

~~• policies relating to data ownership, protection, sharing and use~~

~~• a list of (a) goods and services (or specifications for goods and services) you must purchase to develop and operate your Business and (b) any designated or approved suppliers for these goods or services~~

~~The Manual is designed to establish and protect our brand standards and the uniformity and quality of the goods and services offered by our franchisees. All mandatory provisions contained in the Manual are binding on you. We can modify the Manual at any time, but the modifications will not alter your status or fundamental rights under the Franchise Agreement. Any modification to the Manual is effective at the time we notify you of the change. However, we may provide you with a reasonable period of time to implement certain changes resulting from modifications to the Manual (for example, implementing new software of technology). The Manual is confidential and remains our property. The Manual contains a total of 60 pages. A copy of the Table of Contents to the Manual is attached to this Disclosure Document as EXHIBIT "D".~~

~~Site Development~~ ~~(Section 7.4)~~

~~The Business is designed to be operated from a home office. We do not select or approve the site of your office. You do not need a separate commercial office for purposes of conducting the Business. However, you do need adequate storage space for purposes of storing your equipment, tools and Softroc Product. You may store these items in your garage if you have sufficient space. Otherwise you may need to rent~~

~~commercial storage space. We do not have any requirements or restrictions pertaining to any facility that you utilize for storage.~~

Brand Fund. We have established and administer a marketing, advertising, and promotion fund to facilitate advertising and marketing efforts for the Softroc® brand, the franchise system, any product or services offered by Softroc Businesses, and/or any Softroc Businesses ("Brand Fund"). You must contribute monthly to the Brand Fund an amount equal to 1% of your Collected Gross Sales, though we may modify this amount up to 2% of Collected Gross Revenue ("Brand Fund Contribution"). If we own any Softroc Businesses in the future, they may, but are not required to, contribute to the Brand Fund at the same rate required for franchisees.

~~**Computer System** (Section 6.6, 12.6, 12.8, 12.9, 15.3 & 16.1)~~

We have exclusive control over all programs and services administered by the Brand Fund, with sole control over creative concepts, materials and media used in such programs, and the placement and allocation thereof. We do not guarantee that any particular franchisee will benefit directly from expenditures by the Brand Fund, or that any such expenditures will be in proportion to any franchisee's contributions. The program(s) may be local, regional, or national in scope. We do not guarantee the results of any Brand Fund programs, services, or expenditures in any manner. The Brand Fund may pay for preparing and producing video, audio, and written materials and electronic media; developing, implementing, and maintaining any Online Presences, software, applications or other technology solutions; administering advertising, marketing, and promotional campaigns and programs; using public relations and marketing agencies and other advisors to provide assistance; conducting customer surveys and programs; developing market research and other marketing strategy or implementation activities; and/or any other expenditures that are directly or indirectly related to promoting the Marks, the System, the Softroc® brand, and/or Softroc Businesses. We may also use the Brand Fund to pay for the Brand Fund's other administrative and overhead costs, including the reasonable salaries and benefits of personnel who manage and administer the Brand Fund, and any other expenses that we or our affiliates incur that are related to administering or directing the Brand Fund and its programs. We may modify Brand Fund programs, services, or expenditures at any time. We do not anticipate using any Brand Fund allocations to principally solicit new franchise sales, but we are not restricted from doing so. We may modify Brand Fund programs, services, or expenditures at any time.

We will keep a record of the Brand Fund separately from our other funds, though we are not required to hold such funds in a separate account. The Brand Fund may spend in any fiscal year more or less than the total Brand Fund Contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We have the right, but no obligation, to use collection agents and institute legal proceedings to collect Brand Fund Contributions at the Brand Fund's expense. We may also forgive, waive, settle, and compromise all claims by or against the Brand Fund.

We may at any time, on 30 days' prior written notice to you, reduce or suspend Brand Fund Contributions and/or operations of the Brand Fund for one or more periods of any length and terminate (and, if terminated, reinstate) the Brand Fund and associated Brand Fund Contributions. If we terminate the Brand Fund, we will first pay all outstanding invoices and debts incurred by the Brand Fund, and then we will return the remaining balance to franchisees in proportion to their Brand Fund Contributions in the 12 months prior to such termination.

We may elect to maintain multiple Brand Funds or the administration thereof, whether determined by geographic region, country, or otherwise, or consolidate or merge multiple Brand Funds or the administration thereof, in each case provided that each such Brand Fund will otherwise remain subject to the terms of the Franchise Agreement. The Brand Fund is not a trust, and we assume no fiduciary duty in administering the Brand Fund.

An accounting of the operation of the Brand Fund will be prepared annually and will be available to you upon request. We retain the right to have the Brand Fund reviewed or audited and reported on, at the expense of the Brand Fund, by an independent certified public accountant selected by us. We may also administer the Brand Fund through a separate entity whenever we deem appropriate, and such entity will have all of the rights and duties reserved to us. During the our last fiscal year, we spent the Brand Fund Contributions in the following manner: 96% on media placement, 3% administrative expenses, and 2% on other expenses (including website development). We did not spend any amounts principally to solicit franchise sales.

Franchisee Advertising Council. Currently, there is no franchisee advertising council that provides us with guidance or suggestions regarding advertising and marketing matters.

Franchise System Website. We may establish, acquire, or host any Online Presence (as defined below) to advertise, market, and promote Softroc Businesses and/or the Softroc® brand, the products, and services that they offer and sell, and/or a franchise opportunity (a "Franchise System Website"). We may (but are not required to) provide information on any Franchise System Website about your Franchised Business. You must: (i) provide us the information and materials we request to develop, update, and modify the description of your Franchised Business on any Franchise System Website; and (ii) notify us whenever any information on any Franchise System Website is not accurate. We will own all intellectual property and other rights in all Franchise System Websites, including as it relates to your Franchised Business, and including all information contained on any Franchise System Websites (including the account information and preferences, login credentials, analytic data and reports, user submitted content and data, and all messages and other information or materials directed to or from other messaging platforms associated with any Franchise System Website). We have the right to temporarily or permanently remove references to your Franchised Business from any or all Franchise System Websites if you or your Owners or affiliates are in default of any obligation under your Franchise Agreement or our System Standards, and/or upon the expiration or termination of your Franchise Agreement. We may require you to obtain from us and use an email address associated with our registered domain name. If we require you to obtain and use such an email address, you must do so according to our then-current System Standards. We will have unrestricted access to all such email accounts, and all document, data, materials, and messages shared from or by such accounts.

Your Online Activities. Except as approved by us in writing or specified in the Confidential Operations Manual, you may not develop, maintain, or authorize any website, domain name, email address, social media account, other online, virtual, digital, or electronic presence of any kind ("Online Presence") that displays any of the Marks, promotes or advertises your Franchised Business, links to any Online Presence maintained by us for the brand, or engage in any promotional or similar activities, whether directly or indirectly, and/or offer any products or services for sale on any Online Presence. If we approve the use of any Online Presence, you must develop and maintain such Online Presence only in accordance with our guidelines, including guidelines for posting any messages or commentary on other third-party platforms, preparing and linking a privacy policy to such Online Presence, and other System Standards we may establish periodically. At our request, you must grant us or our designees access to each such Online Presence, and to take whatever action (including signing assignment or other documents) we request to gain access, control, or ownership of such Online Presence.

Technology Systems

You must acquire and ~~utilize all Technology Systems that we require from time to time. Our required Technology Systems may include computer systems, point-of-sale system~~use all hardware, software, and IT systems that we specify periodically, including computer, POS, financial, telecommunications ~~systems~~, security ~~systems,~~ and similar systems, together with the associated hardware, software ~~(including cloud-based software)~~, applications, integrations, and related equipment~~, software applications, mobile apps and third-party services relating to the establishment, use, maintenance, monitoring, security or improvement of these systems.~~ and services (collectively the "Technology Systems"). We may establish System Standards for the Technology Systems and/or require the use of designated Technology Systems for any purpose associated with your Franchised Business, including purchasing, estimating, pricing, scheduling, accounting, order entry, inventory control, security, data management, information storage, retrieval and transmission, customer information, customer programs, marketing, communications, or any other business purpose. We may require that you, at your expense, acquire new or substitute Technology Systems, and/or replace, upgrade or update existing Technology Systems, upon reasonable prior notice.

~~One component of our required Technology Systems is your "computer system". We currently require that you purchase a computer system that includes the following primary components:~~

~~• 1 computer (either a laptop, Mac or PC) with high-speed Internet service~~

~~• 1 all-in-one printer/copier/scanner/fax machine~~

~~• 1~~Currently, the Technology Systems are comprised of: (i) a personal computer with associated hardware, software, connectivity, and printing capabilities, as required to access the mandatory software; (ii) one all-in-one printer, copier, scan and fax machine; (iii) one smart device (either a tablet or phone) with unlimited data

~~•~~ access; (iv) House Call Pro business management and POS System; and (v) QuickBooks and Qvincii financial accounting software. We estimate the total start-up costs for your Technology Systems will range from $1,500 to $3,000. Additionally, ~~House Call Pro business management and POS software~~

~~• QuickBooks financial accounting software~~

~~We may change the components of the Technology Systems from time to time, including your computer system.~~

~~*Email Addresses*~~

~~We will provide you with the email addresses for use with your Business. The monthly technology fee covers the cost for hosting your email accounts. You must exclusively use the email address(es) we provide for all communications with us, customers, suppliers and other persons relating to your Business. You may not use any email address we provide for any purpose unrelated to your Business. We will own the email addresses and the account but allow you to use them during the term of your franchise.~~

~~*How Computer System Is Used*~~

~~You will utilize the computer system for general business purposes such as preparing reports, financial accounting, inventory management and communicating with us and your customers electronically. You will use House Call Pro for a variety of purposes, including daily business management, customer relationship management, scheduling, routing, dispatching, estimating, invoicing, recording sales and processing credit card transactions.~~

~~*Fees and Costs*~~

~~We estimate the initial cost to purchase your computer system will range from $1,500 to $3,000.~~

we ~~may~~ charge ~~you the~~a $450/month Technology Fee ~~described in Item 6 for the software,~~to each franchisee to help cover the costs associated with certain technology ~~and related services~~ that we make available to ~~you. We currently require that you pay us a monthly Technology Fee of $450 per month ($5,400 per year), which covers the ongoing fees associated with House Call Pro as well as other services we provide for website and email hosting. We remit a portion of the Technology Fee to House Call Pro.~~our franchisees, plus an additional $350/month if you sign a TDC Services Addendum (plus an additional $10 per month per email address, if you request more than 3 email addresses).
~~In addition to the technology fee, you must pay: (a) any applicable third-party licensing fees for other software you use (such as QuickBooks); and (b) any credit card processing fees imposed by the merchant processing company.~~

~~*Maintenance, Support, Updates and Upgrades*~~

~~We are not aware of any optional or required maintenance, updating, upgrading or support contracts relating to your computer system. The licensor of House Call Pro will provide all required maintenance, support, updates and upgrades in exchange for the monthly fee we deduct from your Technology Fee and remit to the licensor on your behalf. Except as disclosed above, neither we nor any other party has any obligation to provide ongoing maintenance, repairs, upgrades or updates to your computer system.~~

- ~~*Collection and Sharing of Data*~~

~~Your computer system will collect and store data regarding your project details, sales, scheduling, employee data, customer data, pricing and services. We will have unlimited independent access to all of this data. There are no contractual restrictions on our right to access and use this information.~~

~~We will own all data that you and/or we collect relating to your customers. We will grant you a license to use this data solely for purposes of operating your Business. You must protect all customer data with a level of control proportionate to the sensitivity of data. You must comply with all applicable data protection laws as well as our data processing and data privacy policies set forth in the Manual from time to time. You must also comply with the standards established by PCI-DSS to protect the security of credit card information.~~

~~*Computer System Maintenance and Changes*~~

You are responsible for all fees, costs and expenses associated with acquiring, licensing, utilizing, updating, and upgrading the Technology Systems. Certain components of the Technology Systems must be purchased or licensed from designated or approved third party suppliers, which may be us or our affiliates. We may also enter into master agreements with third-party suppliers relating to any components of the Technology Systems and then charge you for all amounts that we must pay to these suppliers based upon your use.

You ~~must maintain the computer system in good working order at your cost. During the term of your franchise, you may~~do not have to enter into any ongoing maintenance or support agreements for the maintenance of your computer or the various software programs, but you may find it advantageous to do so. The annual costs of entering into maintenance, update, upgrading, or support contracts may range from $200 to $350 per year, depending on your area and which maintenance provider you employ. You may periodically be required to update or upgrade ~~or update your~~ computer hardware and~~/or software to conform to our then-current~~ software, if we believe it is necessary. We may introduce new requirements or modify our specifications and requirements for computer and POS systems. There are no ~~contractual~~ limitations on ~~the frequency or cost of these updates or upgrades~~our rights to do so.
~~**Brand and System Development Fund** (Section 11.1)~~

~~We administer a brand and system development fund to promote public awareness of our brand and to~~

~~improve our System. We may use the fund to pay for any of the following in our discretion:~~

~~• developing, maintaining, administering, directing, preparing, or reviewing advertising and marketing materials, promotions and programs~~

~~• conducting and administering promotions, contests or giveaways~~

~~• expanding public awareness of the Marks~~

~~• public and consumer relations and publicity~~

~~• brand development~~

~~• sponsorships~~

You must take all steps necessary to enable us to have independent and unlimited access to the data collected through the Technology Systems, including information regarding your Collected Gross Revenues, relating to customers and jobs completed, and any other information relating to your Franchised Business. You must provide us, upon request, with all user IDs and passwords for your Technology Systems, including upon termination or expiration of the Franchise Agreement.

~~• charitable and nonprofit donations and events~~

~~• research and development of technology, products and services~~

~~• website development and search engine optimization~~

~~• development of an ecommerce platform~~

~~• development and implementation of quality control programs, including the use of mystery shoppers or customer satisfaction surveys~~

~~• conducting market research~~

You are solely responsible for protecting the Technology Systems against computer viruses, bugs, power disruptions, disruptions, internet access failures, internet content failures, data-related problems, and attacks by hackers and other unauthorized intruders. Upon our request, you must obtain and maintain cyber insurance and business interruption insurance for technology disruptions.

~~• changes and improvements to the System~~

~~• the fees and expenses of any advertising agency we engage to assist in producing or conducting advertising or marketing efforts~~

~~• collecting and accounting for contributions to the fund~~

~~• preparing and distributing financial accountings of the fund~~

~~• any other programs or activities that we deem necessary or appropriate to promote or improve the System~~

~~• direct and indirect labor, administrative, overhead and other expenses incurred by us and/or our affiliates in relation to any of these activities (including salary, benefits and other compensation of any of our, and any of our affiliate's, officers, directors, employees or independent contractors based upon time spent working on any brand fund matters described above)~~

~~We will direct and have complete control and discretion over all advertising programs paid for by the fund, including the creative concepts, content, materials, endorsements, frequency, placement and media used for the programs. Currently, most advertising is regional and national in coverage. We anticipate most of the marketing activities paid for by the fund will consistent of digital marketing. The fund will not be used to pay for advertisements principally directed at selling additional franchises, although consumer advertising may include notations such as "franchises available" and one or more pages on our website may promote the franchise opportunity.~~

~~You must contribute to the fund the amount we specify from time to time (not to exceed 2% of Gross Sales~~

~~currently 1% of Gross Sales). We will deposit into the fund all: (a) fund contributions paid by you and other franchisees; and (b) fines paid by you and other franchisees. Any company-owned Softroc Business will contribute to the fund on the same basis as our franchisees. However, if we modify the amount or timing of the contributions that must be made to the fund, any company-owned Softroc Business that is established or acquired after the modification may contribute to the fund utilizing the modified amount or timing. Except as stated in this paragraph, we have no obligation to expend our own funds or resources for any marketing activities in your area.~~

~~All monies deposited into the fund that are not used in the fiscal year in which they accrue will be utilized in the following fiscal year. Any surplus of monies in the fund may be invested and we may lend money to the fund if there is a deficit. An unaudited financial accounting of the operations of the fund will be prepared annually and made available to you upon request. During the fiscal year ended December 31, 2021, we spent the marketing funds in the following manner:~~

~~Allocation of Marketing Expenditures (2021)~~				
~~Use of Funds~~	~~Production~~	~~Media Placement~~	~~Administrative Expenses~~	~~Other~~
~~Percentage Allocation~~	~~100%~~	~~0%~~	~~0%~~	~~0%~~

~~We assume no direct or indirect liability or obligation to you with respect to the maintenance, direction or administration of the fund. The fund will not be a trust and we will have no fiduciary obligations with respect to our administration of the fund. We reserve the right to discontinue the fund at any time in our sole discretion upon at least 30 days' prior notice.~~

~~There is no franchisee advisory council that advises us on marketing issues.~~

~~**Advertising Cooperatives** (Section 11.4)~~

You must implement all administrative, physical and technical safeguards necessary to protect any information that can be used to identify an individual, including names, addresses, telephone numbers, e-mail addresses, employee identification numbers, signatures, passwords, financial information, credit card information, biometric or health data, government-issued identification numbers and credit report information in accordance with applicable law and industry best practices, including, where required, obtaining necessary consents and making required disclosures. It is entirely your responsibility (even if we provide you any assistance or guidance) to confirm that the safeguards you use to protect such information comply with all applicable laws and industry best practices related to the collection, access, use, storage, disposal and disclosure. If you become aware of a suspected or actual breach of security or unauthorized access involving any such information, you must notify us immediately and specify the extent to which such information was compromised or disclosed. You must follow our instructions regarding curative actions and public statements relating to the breach.

~~We have the right to create advertising cooperatives for the benefit of all Softroc Businesses located in a particular region. We will determine the geographic territory and market areas for each cooperative advertising program. We have the right to administer the cooperative. Any amounts you contribute to the advertising cooperative will be credited towards your Local Marketing Commitment (discussed further below). Softroc Businesses owned by us or our affiliates, if any, located within the cooperative market area are not contractually required to participate. Each cooperative will be required to adopt governing bylaws that meet our approval, and will be available for review. There are no limits on our right to change, dissolve or merge advertising cooperatives.~~

~~If cooperative advertising is implemented in a particular region, we have the discretion to establish an advertising council for franchisees in that region, and we may agree that the advertising council will self-administer the cooperative advertising program for that region, as well as act in an advisory capacity concerning the implementation, but not the content, of the advertising program. We will initially select the~~

members of the advertising council, but once established the franchisees in the cooperative will select subsequent or replacement members buy vote. Each franchisee is entitled to 1 vote per each franchise business he or she operates.

Local Advertising (Section 11.2 & 11.3)

You must comply with our website privacy policy, as it may be amended. You must comply with any requests to return or delete customer's personal information, whether requested by us or directly by the customer, as required by applicable data sharing and privacy laws.

In addition to your required contributions to the brand and system development fund, you must spend a minimum monthly amount equal to your Local Marketing Commitment (which is 2% of your Gross Sales) on approved local marketing and advertising. We will measure your compliance with this requirement on a rolling 6-month basis, meaning that as long as your average monthly expenditure on local advertising over the 6-month period equals or exceeds your Local Marketing Commitment, you will be deemed in compliance even if your expenditure in any given month is less than the minimum Local Marketing Commitment. You must participate at your own expense in all advertising, promotional and marketing programs that we require. We are not required to spend any amount on advertising in your territory.

We will provide you with a recommended marketing plan for your Business, which may be included in the Manual. We may create and make available to you advertising and marketing materials for your purchase. We may use the brand and system development fund to pay for the creation and distribution of these materials, in which case there will be no additional charge. We may make these materials available over the Internet (in which case you must arrange for printing the materials and paying all printing costs). Alternatively, we may enter into relationships with third-party suppliers who will create the advertising or marketing materials for your purchase. We will provide reasonable marketing consulting, guidance and support throughout the franchise term on an as needed basis.

You will also have an opportunity to create advertising for your own use, provided we approve it in advance. You may not use any advertising materials that have not been approved by us. You must submit to us any advertising materials that you prepare or modify and we will have 20 days to review and either approve or reject the materials. Our failure to approve any advertising materials within the 20-day period will constitute our disapproval of the materials.

Training

Training Program. We will provide you with a local landing page that will be linked to our website. Except for the local landing page we provide, you may not (a) develop, host, or otherwise maintain a website or other digital presence relating to your Business (including any website bearing any of our Marks); or (b) utilize the Internet to conduct digital or online advertising or otherwise engage in ecommerce. However, we do permit you to market your Business through approved social media channels provided that:a training program on the material aspects of operating a Softroc Business (the "Training Program") to you (or if you are a business entity, your Owners) and up to three additional employees or representatives (one of which must be your Designated Owner or Designated Manager, if applicable) (together, your "Key Personnel"). You must pay us $3,000 for the Training Program. Plus, if you sign a TDC Services Addendum, must attend an additional training program regarding the TDC Services, and you must pay us an additional $1,000 for this program, unless you are an existing "The Driveway Company®" franchisee converting your business into a Softroc Business.

- you only utilize social media platforms we approve
- you strictly comply with our social media policy
- you immediately remove any post we disapprove (even if the post complies with our social media policy)
- you utilize any supplier we designate for social media marketing services

~~**Opening Requirements** (Section 7.5)~~

~~We anticipate a typical franchisee will open his or her Softroc Business within 2 to 3 months after signing the Franchise Agreement. Factors that may affect this time include purchasing an appropriate vehicle and installing the required wraps, financing, completion of training, obtaining insurance, obtaining required licenses and complying with local laws and regulations.~~

~~You may not open your Business prior to receipt of our written authorization to open. We will not issue our authorization to open until all of the following conditions are met:~~

You may invite additional employees to attend the Training Program if space allows. If we approve such requests, we may charge our then-current training fee (currently, $1,000 per day, per trainee, plus expenses) for each additional individual attending the Training Program, and/or for any portion of the Training Program conducted more than one time to accommodate the schedules of your attendees. We will determine the identity and composition of the trainer(s) conducting all portions of the Training Program. We will also determine the length and content of the Training Program. We may vary the Training Program based on the experience and skill level of the individual(s) attending. Scheduling of the Training Program is based on your and our availability and the projected commencement of operations of your Franchised Business.

Your Key Personnel must complete the Training Program to our satisfaction before beginning to operate your Franchised Business. If any of your Key Personnel fail to satisfactorily complete the Training Program, we may require such person(s) to attend additional training at a time and location of our choice, and we will charge you our then-current training fee (currently, $1,000 per day, per trainee, plus expenses) for such additional training. If you and your Key Personnel complete the Training Program to our satisfaction and have not expressly informed us at the end of the Training Program that they do not feel sufficiently trained in the operation of your Franchised Business, then you and your trainees will be deemed to have been trained sufficiently.

If you hire a new Designated Manager or your Designated Owner changes, the new Designated Manager or Designated Owner must attend and successfully complete our then-current Training Program before providing services to your Franchised Business.

The Training Program is offered on an as needed basis at our training location in Dallas, Texas, or another location we designate, which may include conducting any portion of the Training Program virtually. The time frames provided in the chart below are an estimate of the time it will take to complete training. Our Training Program is currently supervised by Courtney Harmon, our President, who has 2 years of experience with us, and 3 years of experience in rubber surfacing and 17 years of franchise experience. Currently, the Training Program is comprised of the following:

~~• successful completion of the initial~~ **TRAINING PROGRAM**

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS ON THE JOB TRAINING	LOCATION
Service, Product Knowledge & Application	2	28	Virtual, in Dallas, Texas, or at your Franchised Business
Sales	2	2	Virtual, in Dallas, Texas, or at your Franchised Business
Marketing	2	2	Virtual, in Dallas, Texas, or at your Franchised Business

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS ON THE JOB TRAINING	LOCATION
Management	2	0	Virtual, in Dallas, Texas, or at your Franchised Business
Technology	2	2	Virtual, in Dallas, Texas, or at your Franchised Business
Total	**10**	**34**	

~~• you purchase all required insurance~~

If you sign a TDC Services Addendum, you will be required to complete additional training prior to providing any TDC Services through your Franchised Business, as follows:

~~• you purchase, wrap and equip your vehicle in accordance with our requirements~~

~~• you purchase all required operating equipment and your initial supply of Softroc Product~~

~~• you obtain all required licenses, permits and other governmental approvals~~

TDC SERVICES TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS ON THE JOB TRAINING	LOCATION
Service, Product Knowledge & Application	4	34	Virtual, in Dallas, Texas, or at your Franchised Business
Sales	2	2	Virtual, in Dallas, Texas, or at your Franchised Business
Marketing	2	2	Virtual, in Dallas, Texas, or at your Franchised Business
Management	2	0	Virtual, in Dallas, Texas, or at your Franchised Business
Technology	2	2	Virtual, in Dallas, Texas, or at your Franchised Business
Total	**12**	**40**	

~~Unless we agree to the contrary, your Business must be opened within 180 days after you sign the Franchise Agreement. Your failure to open within the 180-day period constitutes an event of default under your Franchise Agreement.~~

Personnel Training. You are responsible for training all of your employees, contractors, and other personnel that have not attended the Training Program, at your sole cost and expense. We may periodically require you to disclose to us the training curriculum and materials that you use to train your personnel, and/or set System Standards relating to the training that you offer, to ensure that all personnel receive appropriate training to conduct your Franchised Business to satisfy our System Standards. If we at any time determine that any of your personnel are unable to satisfactorily supervise and fulfill their duties in accordance with our System Standards, we may require those persons to cease providing services at your Franchised Business until they complete additional training with you or with us. If we provide any such training to such personnel, you must pay our then-current training fee (currently, $1,000 per day, per trainee, plus expenses) for such additional training we provide.

Additional Training. Subject to limitations on scheduling, availability, and similar resources, we may provide you with advice periodically regarding your Franchised Business. Our advice and guidance will be furnished in the formats we periodically designate, which may include updates to our Confidential Operations Manual, written bulletins and newsletters, via telephone or electronic

meetings, and/or consultation at our offices. We may modify or discontinue any ongoing training or advice we provide at any time. You may request additional training for you, your Owners, or your personnel periodically. If we agree to provide you such additional training, we and you will jointly determine the duration of this additional training, and we may charge you our then-current training fee for such additional training (currently, $1,000 per day, per trainee, plus expenses).

We may require you and your Key Personnel and/or certain other employees of your Franchised Business attend various training courses, trade shows, ongoing education programs, and/or webinars at the times and locations designated by us, which may be offered by us or our affiliates, vendors, or other designees of ours. In addition to these training courses, programs, and events, we may additionally require you and/or any of your Key Personnel to attend periodic meetings of franchise owners or managers. These meetings will be held at the times and locations we designate, and we may charge meeting or conference fees up to $1,000 (currently, $300 per attendee, per conference).

If we determine that you are not operating your Franchised Business in full compliance with your Franchise Agreement and/or the Confidential Operations Manual, we may require that your Key Personnel attend additional training that is relevant to your operational deficiencies, and we reserve the right to charge you our then-current training fee for such additional training (currently, $1,000 per day, per trainee, plus expenses). We may periodically establish System Standards that will require you, your Owners, and/or other personnel of your Franchised Business to attend third-party training or certification courses or obtain certain technical certificates or licenses. You must comply and ensure that your personnel comply with all training and certification requirements that we establish.

Training Expenses. You must pay all travel and living expenses (including, wages, transportation, food, lodging, and workers' compensation insurance) that you and your Key Personnel or any other employee incurs during any and all meetings and/or training courses and programs. If we or our representatives travel to your area to conduct any training of any kind, you are also responsible for the travel and living expenses and out-of-pocket costs that we and such representatives incur to provide you and your personnel with any training.

ITEM 12 ~~TERRITORY~~

TERRITORY

Your Market Territory

~~You will receive a defined marketing territory that will be identified in Part B of ATTACHMENT "A" to your Franchise Agreement (your "Territory"). Your Territory will include a minimum population of 100,000. We may define the boundaries of your Territory in any manner we deem appropriate. We do not anticipate granting territories with populations exceeding 400,000. All population determinations will be based on the most recent United States Department of Commerce Census Bureau census data, and the number of franchises we may establish in a given metropolitan statistical area may increase over time based on increases in the population in the area. We have no obligation to modify your Territory as a result of population changes that take place after our initial determination of your Territory boundaries. The Business is designed to be operated from a home office. We do not select or approve the site of your office.~~

~~Upon renewal, we reserve the right to modify the boundaries of your Territory in accordance with our then-current territory guidelines and criteria. You may not relocate or modify your Territory under any circumstances.~~

~~You must operate your Business and direct your marketing activities solely within your prescribed Territory. Without our prior written consent, which we may withhold in our sole discretion, you may not~~

~~conduct any targeted marketing that is directed into any area outside of your Territory. Marketing that is distributed, circulated or received both within your Territory and within an area outside your Territory is not deemed to be "targeted marketing" if: (a) you use reasonable efforts to limit the circulation or distribution of the advertising to areas within your Territory; and (b) the majority of the recipients of the advertising are located within your Territory and there is only incidental circulation or distribution outside of your Territory. The meaning of "targeted marketing" that is "directed into an area" may be further defined in the Manual, but examples include direct mail sent to addresses within a given area, digital advertising sent to devices with IP addresses that are registered within a given area and setting up promotional events that take place within a given area. You may contract with customers that reside outside your Territory and service their properties as long as you do not solicit the customer or secure the job as a result of targeted marketing that was directed outside of your Territory.~~

~~Territorial Protections~~

You will not receive an exclusive territory. You may face competition from other franchisees, ~~from~~ outlets that we own, or from other channels of distribution or competitive brands that we control.
~~Although we do not grant exclusive territories, we do grant you certain territorial protections. As long as you are in compliance with the Franchise Agreement, no other Softroc Business will be permitted to conduct targeted marketing that is directed into your Territory for purposes of soliciting customers, except as otherwise permitted in the Section below.~~

~~Limitations on Territorial Rights~~
You and we will agree on a geographic area to act as your Market Territory. The Market Territory may be defined by ZIP codes, political boundaries, geographic boundaries, or roads. A Market Territory for a standard franchise will have a minimum population of 100,000 and a maximum population of 400,000. If the population size exceeds 400,000, we may require the purchase of more than one franchise. The source of the data for determining population is our territory mapping program, GbBIS. You may not relocate your Franchised Business' Market Territory and/or the Franchised Business Office without our prior written consent.
~~We and other Softroc Businesses may contract with customers located within your Territory and perform jobs at sites located within your Territory as long as we or the other Softroc Business, as applicable, did not solicit the customer or obtain the job as a result of targeted marketing directed into your Territory.~~

~~We have the unrestricted right to conduct targeted marketing that is directed into your Territory for purposes of : (a) developing and promoting the brand generally (as opposed to marketing that is intended to solicit customers); (b) soliciting prospective purchasers of Softroc franchises; and/or (c) soliciting customers that we intend refer to you.~~

~~We reserve the right to acquire, or be acquired by, another business or chain that may sell competitive or identical goods or services, and those businesses may be converted into Softroc Businesses operating under the Marks regardless of their location. Any such acquired or converted businesses may be located within your Territory and may conduct targeted marketing that is directed within your Territory for purposes of soliciting customers.~~

~~Alternative Channels of Distribution~~
~~We reserve the right to solicit customers within your Territory (including under the Marks) using alternative channels of distribution (such as the Internet, catalog sales, telemarketing or other direct marketing) subject to our obligation to comply with the territorial marketing protections described above. You are not entitled to any compensation for sales that take place resulting from our solicitation of customers within your Territory using alternative channels of distribution.~~

Your Market Territory is strictly a limitation on the geographic area where you may conduct business activities. Your Market Territory is not an exclusive territory, and you will have no territorial protections

in the Market Territory. Nothing will restrict or limit, in any manner, our or our affiliates' rights to conduct marketing or other business activities, solicit or accept customers, and/or grant licenses or franchises of any kind, in any location whatsoever. We may operate and/or authorize other franchisees to operate, solicit customers, and conduct services in your Market Territory. We are not required to pay you any compensation relating to these activities.

~~**Restrictions on Your Sales and Marketing Activities**~~

~~You may not conduct targeted marketing that is directed outside of your Territory. You may accept customers that reside at any location and perform jobs at any location (including locations within a territory operated by us or another Softroc Business) as long as you did not solicit the customer or obtain the job as a result of targeted marketing that was directed outside of your Territory. You may solicit customers within your Territory using alternative channels of distribution (such as the Internet, catalog sales, telemarketing or other direct marketing), but you may not solicit customers outside your Territory using alternative channels of distribution. Your marketing activities are also subject to the additional restrictions described in Item 11 under the Section entitled "Local Advertising." There are no other restrictions on your right to solicit customers, whether from inside or~~Without our prior authorization, you and your Owners may not, and each of you will cause your respective affiliates, representatives, and personnel not to: (i) conduct any marketing, advertising, or promotional activities for your Franchised Business and/or using the Marks or the System outside of your Market Territory, and/or (ii) solicit orders, jobs, or projects from customers outside of your Market Territory and/or that would be conducted outside of your Market Territory. If these territorial limitations are violated, in addition to our right to terminate your Franchise Agreement for your breach, we have the right to require you to pay damages equal to: (i) $5,000 per incident for any marketing, advertising, or promotional activities conducted outside of your Market Territory, or (ii) 100% of the job value for any work obtained in breach of the territorial limitations.

~~**Minimum Performance Requirements**~~

~~Your territorial protections do not depend on achieving a certain sales volume, market penetration, or other contingency.~~

~~**Additional Franchises and Territories**~~

You may not engage in any promotional or similar activities, or sell any products or services, whether directly or indirectly, through any Online Presence, without our prior approval. You are not granted any options, rights of first refusal or similar rights to acquire additional territories or franchises.

~~**Competitive Businesses Under Different Marks**~~

Minimum Performance Criteria

~~Currently, neither we nor any affiliate of ours intends to operate or franchise another business under a different trademark that sells products or services similar to the products or services offered by a Softroc Business. However, we reserve the right to do so in the future.~~

You do not receive any territorial protection your Market Territory and are therefore not required to achieve a certain sales volume, market penetration, or other contingency to preserve it. However, we may terminate your Franchise Agreement, causing you to lose your Market Territory, if you fail to achieve the following minimum performance criteria: beginning with the 25th month of operation, your Franchised Business must achieve average Collected Gross Revenue of at least $13,000 per month (total Collected Gross Revenue during the prior trailing six-month period, divided by six). There is no minimum performance criteria during the first 2 years of operations of your Franchised Business. With no less than 30 days prior notice, we may increase the amount of the minimum average monthly Collected Gross Revenue in an amount not to exceed the aggregate rate of inflation established by the

U.S. Bureau of Labor's Consumer Price Index since the date of your Franchise Agreement, or such later date as we last adjusted the minimum average monthly Collected Gross Revenue.

~~Rubaroc, which is unaffiliated with us, has the right to solicit commercial customers (but not residential customers) within the United States and provide them with the same rubber surfacing solutions as our franchisees. However, it may not use the Softroc mark within the United States. As such, Rubaroc may solicit commercial customers and provide rubber surfacing solutions (under any name other than Softroc) within your Territory. Alternatively, Rubaroc may, but need not, refer these commercial customers to you.~~

Affiliated Franchised Programs

As described further in Item 1, we are under common control with entities that operate other franchised brands. Currently none of our affiliated brands offers resurfacing services, though our affiliate TDC Franchising LLC is currently the franchisor to certain existing "The Driveway Company®" franchises. These affiliate franchises may be located within close proximity to your Franchised Business, including within your Market Territory, and they may solicit or accept orders from customers near your Franchised Business. If a conflict should arise between any Softroc Business and any other business operated or franchised by an affiliate of ours, we will analyze the conflict and take any action or no action as we deem appropriate. We currently maintain each franchise offering from the same corporate offices and training facilities.

ITEM 13 ~~TRADEMARKS~~

TRADEMARKS

We currently own our principal Marks, which have been registered on the Principal Register of the U.S. Patent and Trademark Office ("USPTO"). Our principal Marks are currently as follows:

~~We grant you the right to operate a franchise under the name "Softroc" and logo shown on the cover page of this Disclosure Document. By trademark, we mean trade names, trademarks, service marks, and logotypes used to identify your Softroc Business or the products or services that you sell. We may change the trademarks you may use from time to time (including by discontinuing use of the Marks listed in this Item 13). If this happens, you must change to the new trademark at your expense.~~

~~Our affiliate, Softroc, LLC, registered the following trademark on the Principal Register of the United States Patent and Trademark Office (USPTO):~~

~~REGISTERED MARKS~~		
Mark	~~Registration~~**Reg. / App. Number**	~~**Registration Date (Renewal Date)**~~**Reg. / App. Date**
SOFTROC	Reg. No. 6534632	October 26, 2021
SOFTROC	Reg. No. 6677499	March 22, 2022
(Add) Softroc	App. No. 90631980	April 21, 2021

We do not have a federal registration for each of our principal trademarks. Therefore, such trademarks do not have many legal benefits and rights as a federally registered trademark. If our right to use an unregistered trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

~~As part of our acquisition of Softroc, LLC, all rights to the above trademark were assigned to us. The assignment was recorded with the USPTO on March 4, 2021.~~

~~All required affidavits have been filed and we intend to file all renewals by the required renewal date.~~

~~You must follow our rules when using the Marks. You cannot use our name or mark as part of a corporate name or with modifying words, designs, or symbols unless you receive our prior written consent. You may not use the Softroc name relating to the sale of any product or service that is not previously authorized by us in writing.~~

~~You must notify us immediately when you learn about an infringing or challenging use of the Marks. We will take the action we think appropriate, but we are not required to take any action if we do not feel it is warranted. We may require your assistance, but you may not control any proceeding or litigation relating to our Marks. You must not directly or indirectly contest our right to the Marks.~~

~~The Franchise Agreement does not require that we: (a) protect your right to use the Marks or protect you against claims of infringement or unfair competition arising out of your use of the Marks; or (b) participate in your defense or indemnify you for expenses or damages you incur if you are a party to an administrative or judicial proceeding involving our Marks or if the proceeding is resolved in a manner that is unfavorable to you.~~

~~There are currently no: (a)~~All required affidavits of use will have been filed in a timely manner. There is presently no effective ~~material determinations~~determination of the U.S. Patent and Trademark Office, the Trademark Trial ~~and~~& Appeal Board, the trademark administrator of ~~this~~any state or any court~~; (b) pending infringements, oppositions or cancellations; (c)~~, nor any pending infringement, opposition or cancellation proceeding or any pending material litigation involving ~~any of the Marks; or (d) agreements that~~our principal Marks. We know of no infringing or prior superior uses that could materially ~~limit or~~ affect ~~our right to use or license~~ the use of the Marks. ~~We do not know of any infringing uses that could materially affect your use of the Marks.~~

We acquired the Marks and the right to sell Softroc Products in the United States from one of our designated vendors of Softroc Products. Our rights are limited to the United States. There are no agreements currently in effect that significantly limit our rights to use or license the use of the Marks in any manner material to the franchises granted under this Disclosure Document.

We are the sole and exclusive owners of the Marks and the System. Your use of the Marks and the System and any goodwill created thereby will inure to our benefit. You will not at any time acquire an ownership interest in the Marks or the System by virtue of any use and/or by virtue of your Franchise Agreement. You may not at any time contest the validity or ownership of any of the Marks or the System, or assist any other person in contesting the validity or ownership of any of the Marks or the System. Any unauthorized use of the Marks or the System by you or your Owners or affiliates is a breach of your Franchise Agreement and an infringement on the intellectual property rights of us and our affiliates. All provisions of the Franchise Agreement relating to the Marks and the System apply to any changes and/or additions to the Marks or the System that we authorize periodically.

You are permitted to use the Marks and the System solely to conduct the Franchised Business in compliance with your Franchise Agreement. You may not use any trademarks, service marks or commercial symbols other than the Marks to identify or operate your Franchised Business. You may not use any Mark or portion of any Mark as part of any business entity name. You may not use any Mark or the System in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized in writing by us. You must give such notices of trademark and service mark registrations as we specify and obtain such fictitious or assumed name registrations as may be

required under applicable law to do business as a Softroc Business. You may not register or seek to register as a trademark or service mark, either with the United States Patent and Trademark Office or any state or foreign country, any of the Marks or a trademark or service mark that is confusingly similar to any Mark licensed to us. You must identify yourself as the independent owner of your Franchised Business in connection with all of your dealings with customers, employees, and the public, and in accordance with any System Standards established by us.

You must immediately notify us of any apparent or threatened: (i) infringement of the Marks or any component of the System, (ii) challenge to your use of any of the Marks or any component of the System, and/or (iii) claim by any person of any rights in any of the Marks or any component of the System. You may not communicate with any person other than us and our counsel in connection with any such infringement, challenge, or claim; provided, you may communicate with your counsel at your expense. We may take such action as we deem appropriate and the right to exclusively control any litigation or other proceeding arising out of any infringement, challenge, or claim or otherwise relating to any of the Marks and/or the System. You must execute any and all instruments and documents, render such assistance, and do such acts and things as we require to protect and maintain our interests or to otherwise protect and maintain our interest in the Marks and/or the System.

We will reimburse you for all expenses reasonably incurred by you in any proceeding disputing your authorized use of any Mark, provided that you have complied with your Franchise Agreement and our directions in responding to such proceeding. At our option, we or our designee may defend and control the defense of any proceeding arising directly from your use of any Mark and/or any component of the System. This indemnification will not include the expense to you of removing signage or discontinuance of the use of the Marks and/or any component of the System. This indemnification will not apply to litigation between us and you wherein your use of the Marks or System is disputed or challenged by us. This indemnification will not apply to any separate legal fees or costs incurred by you if you obtain independent counsel after we have appointed counsel to represent you and us.

If we deem it necessary for you to modify or discontinue use of any of the Marks or components of the System, and/or use one or more additional or substitute trade names, trademarks, service marks or other commercial symbols to identify Softroc Businesses, you must comply with our directions promptly after notice to you by us. We are not required to reimburse you for your expenses derived from update, addition, or modification to, or discontinuance of any Marks or any components of the System or any loss of goodwill associated therewith or for any expenditures made by you to promote any modified or substitute Mark or modified System.

ITEM 14

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

Patents and Copyrights

~~No patents or pending patent applications are material to the franchise. Although we have not filed an application for copyright registration for the Manual, our website or our marketing materials, we do claim a copyright to these items. During the term of your Franchise Agreement, we will allow you to use our proprietary information relating to the development, marketing and operation of a Softroc Business, including, methods, techniques, specifications, procedures, policies, marketing strategies and information comprising the System and the Manual. We will also own all data that you collect regarding your customers and business operations, but we will license you the right to utilize this data during the term of your Franchise Agreement.~~

~~You must maintain the confidentiality of our proprietary information and use it only in strict accordance with the terms of the Franchise Agreement and the Manual. You must promptly tell us when you learn about unauthorized use of our proprietary information. We are not obligated to act, but will respond to this information as we deem appropriate. You may not control any proceeding or litigation alleging the unauthorized use of our proprietary information. We have no obligation to indemnify you for any expenses or damages arising from any proceeding or litigation involving our proprietary information. There are no infringements known by us at this time.~~

~~All ideas, improvements, inventions, marketing materials, and other concepts you develop relating to the operation of your Business will be owned by us.~~

We do not own any patents that are material to the franchise. We do not have any pending patent applications that are material to the franchise. We own copyrights in the Confidential Operations Manual, our website, our marketing materials, and other copyrightable items that are part of the System. While we claim copyrights in these and similar items, we have not registered these copyrights with the United States Register of Copyrights. You may use these items only as we specify while operating your Franchised Business and you must stop using them if we direct you to do so.

We know of no effective determinations of the U.S. Copyright Office or any court regarding any of our copyrighted materials. Our right to use or license copyrighted items or Confidential Information (defined below) is not materially limited by any agreement or known infringing use.

Confidential Information

In connection with your Franchised Business, you and your Owners and personnel may be provided and/or have access to non-public information about the System and the operation of Softroc Businesses (the "Confidential Information"), including: (1) training programs and operations materials (including the Confidential Operations Manual); (2) the System Standards and methods and techniques for operating Softroc Businesses; (3) market research and strategies, customer service techniques, and other practices for generating and maintaining customers; (4) specifications for, suppliers of, and methods of ordering, products and services; (5) any software, technology, or Online Presences which are proprietary to us or the System, including digital passwords and identifications and any source code of, and data and reports generated by the software or similar technology; (6) the operating results and financial performance of Softroc Businesses, including your Franchised Business; (7) customer and client lists, terms, job pricing and history, preferences, demographic information and related information; and (8) any other information designated as confidential or proprietary by us. Confidential Information does not include information, knowledge, or know-how, which is lawfully known to the public without violation of applicable law or an obligation to us or our affiliates.

All Confidential Information will be owned by us and our affiliates. You will not acquire any interest in the Confidential Information, other than the right to use it to develop and operate your Franchised Business in compliance with your Franchise Agreement. The Confidential Information includes our trade secrets and other information that is proprietary to us and our affiliates, derives value from not being known to the public and our competitors, has been developed by us and our affiliates at significant cost and effort, and is critical to the competitive advantage of us and our affiliates and franchisees. Any unauthorized use or disclosure of the Confidential Information would be an unfair method of competition and will result in irreparable harm to us and our affiliates.

You and your Owners agree that during and after the term of your Franchise Agreement, you will, and you will cause each of your respective spouses, immediate family members, affiliates, and assigns to: (a) not use the Confidential Information for any purpose other than the development and operation of

your Franchised Business under your Franchise Agreement; (b) keep confidential and not disclose the Confidential Information to any person other than those of your employees and representatives who need to know such Confidential Information for the purpose of assisting you in operating your Franchised Business under your Franchise Agreement (and you will be responsible for any violation of this requirement by any such representatives or employees); (c) not make unauthorized copies of any Confidential Information; (d) adopt and maintain reasonable procedures to prevent unauthorized use or disclosure of Confidential Information, including by establishing reasonable security and access measures, restricting its disclosure to Key Personnel, and/or by requiring persons who have access to the Confidential Information to execute a non-disclosure agreement on terms no less favorable than the terms applicable to Confidential Information under your Franchise Agreement; and (e) at our request, destroy or return any of the Confidential Information.

Innovations

All ideas, concepts, techniques or materials concerning any Softroc Business and/or the System or developed, in whole or in part, using Confidential Information, whether or not protectable intellectual property and whether created by or for you or your Owners or employees, must be promptly disclosed to us and shall be deemed our sole and exclusive property and work made-for-hire for us, automatically and without compensation to you, your Owners, or any of your employees or representatives. We have the right to incorporate such items into the System. To the extent any item does not qualify as a "work made-for-hire" for us, you must assign to us, all right, title, and interest in that item. You must sign any documents required by us to memorialize such assignment. You must take all actions to assist our efforts to obtain or maintain intellectual property rights in any item related to the System, whether developed by you or not.

ITEM 15

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

Designated Owner

If you operate your Franchised Business through a legal entity, you must identify one of your Owners who is a natural person with at least a 10% direct or indirect ownership interest and voting power in that entity (your "Designated Owner"). We must approve the person that will act as your Designated Owner. Your Designated Owner will be authorized to deal with us on your behalf for all matters that may arise with respect to your Franchise Agreement. Any decision made by the Designed Owner will be final and binding on you and we will be entitled to rely solely on the decision of the Designated Owner without discussing the matter with any other party. The person acting as your Designated Owner must have full corporate power and authority to enter into the Franchise Agreement and any other documents to which you are a party, and to make binding decisions on your behalf.

Designated Manager

Subject to the terms and conditions of your Franchise Agreement, you (or if you operate through a legal entity, your Designated Owner) will be solely responsible for the management, direction and control of your Franchised Business you (or your Designated Owner). If you (or your Designated Owner) do not wish to supervise the day-to-day operations of your Franchised Business, then you may

request that we approve an alternative person to supervise the day-to-day affairs of your Franchised Business (your "Designated Manager"). We may establish conditions for approving any such Designated Manager or Designated Owner, as applicable, which may include the completion of training, confirmation that such individual will have no competitive businesses activities, and/or execution of a non-disclosure agreement or other covenants we require. You (or your Designated Owner) or your Designated Manager, as applicable, must supervise the management and day-to-day operations of your Franchised Business on a full-time basis and continuously exert best efforts to promote and enhance your Franchised Business and the goodwill associated with the Marks.

Obligations of Owners and Other Key Personnel

If you enter into your Franchise Agreement as a legal business entity, each person who holds a direct or indirect ownership, voting, or beneficial interest in you (an "Owner") must execute a guaranty, agreeing to be personally bound, jointly and severally, by all provisions of the Franchise Agreement and any ancillary agreements between you and us and/or our affiliates. Our current form of Guaranty and Assumption of Obligations is attached as an exhibit to the current form of Franchise Agreement.

We also have the right to require certain of your Owners, Key Personnel, management level employees and officers, and other representatives and owners of you that will have access to Confidential Information to sign certain covenants we designate. You must ensure that we and our affiliates are named as third-party beneficiaries with the right to enforce covenants contained in such agreements. Upon our request, you must provide us with copies of all such executed nondisclosure and non-competition agreements. We may modify our decisions regarding which persons will be required to sign such covenants periodically. You must notify us, upon request, of all employees, representatives, and other individuals to whom you have granted access to Confidential Information, and/or who are involved in the management and supervision of your Franchised Business.

Assumption of Management

We may assume management of your Franchised Business, or to appoint a designee to assume its management if: (1) you abandon or fail actively to operate your Franchised Business; (2) you fail to comply with any provision of the Franchise Agreement or any System Standard and do not cure the failure within the time period we specify; or (3) the Franchise Agreement expires or is terminated and we are transitioning your Franchised Business' operations to us or another person we designate, or determining whether to do so. All funds from your Franchised Business' operation while it is under our or our designee's management will be kept in a separate account, and all expenses will be charged to this account. If we or our designee assume your Franchised Business' management, you must pay us (in addition to the Royalty Fee, Brand Fund Contributions, and other amounts due to us or our affiliates) our then-current fee for such management services (currently, 5% of Collected Gross Revenue), plus our and our designees' direct out-of-pocket costs and expenses.

Subcontractors

You must ~~designate an owner who will have overall responsibility for the management and operation of your Business (the "Managing Owner"). The Managing Owner must: (a) be approved by us; (b) successfully complete all training programs we require; and (c) at all times hold at least a 20% ownership interest in the franchise (or the entity that is the franchisee under the Franchise Agreement) unless we waive this requirement. Any new Managing Owner you appoint must successfully complete our then-current initial training program before becoming involved with the supervision, management or operation of the~~

Business.obtain our prior written approval of any subcontractor that will be used to provide services of any kind for your Franchised Business. You will remain fully liable for all obligations under your Franchise Agreement for all operations from your Franchised Business, including those performed by any approved subcontractors. You will also be fully liable for the actions, omissions, and performance of any and all subcontractors and their personnel. Your obligation to indemnify us against liability from your Franchised Business will apply to operations by your subcontractors.

You must appoint a person to serve as your designated manager. The designated manager is responsible for the day-to-day onsite management and supervision of the Business and your employees. Your Managing Owner may, but need not, serve as your designated manager. The designated manager must successfully complete all training programs we require and dedicate full time efforts (at least 35 hours per week) to the Business. Your designated manager must sign the Brand Protection Agreement attached to the Franchise Agreement as ATTACHMENT "D" (your Managing Owner is not required to sign a Brand Protection Agreement). We do not require that your designated manager own any equity interest in the franchise.

The Managing Owner must monitor and supervise the activities of the designated manager to ensure the Business is operated in accordance with the Franchise Agreement and the Manual. However, the Manager Owner need not dedicate full time efforts to the Business unless he or she also serves as your designated manager. The Managing Owner must assume responsibility for the day-to-day onsite management and supervision of your Business and your employees if the designated manager is unable to perform his or her duties due to death, disability, termination of employment, or for any other reason, until you hire a new designated manager who is approved by us and fully trained.

All of your managers, officers, governing persons and executive management personnel must sign a Brand Protection Agreement. All of your other employees, agents or representatives who may have access to our confidential information must sign the Confidentiality Agreement attached to the Franchise Agreement as ATTACHMENT "E".

If you are an entity, each owner (i.e., each person holding an ownership interest in you) must sign the Franchise Owner Agreement attached to the Franchise Agreement as ATTACHMENT "B".

ITEM 16

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

Authorized Products and Services

We must approve all goods and services you sell. You must offer all goods and services we require. You may not sell any goods or services we have disapproved. We may change the goods and/or services you are required to sell at any time in our sole discretion, and you must comply with any such change. We may require you to participate in a gift card program in accordance with our policies and procedures. We do not restrict the customers to whom you may sell goods and services.

You must provide or offer for sale or use at your Franchised Business all of the services, products, supplies, equipment, and other items that we periodically designate. You may not offer or provide any other services, products, supplies, equipment, or other items as part of your Franchised Business without our express approval. You may not offer or sell any products or services from your Franchised Business at wholesale, for resale, or through other alternative distribution channels, including any Online Presence, or to other franchisees, without our prior written approval.

All products, supplies, equipment, and other items provided by your Franchised Business must comply in all respects with our System Standards. We are under no obligation to authorize every Softroc Business to offer the same services, products, supplies, equipment, and other items. We may condition our approval for you to offer any services, products, supplies, equipment, and other items on our then-current criteria, including your compliance with your Franchise Agreement.

As described in Item 12, you and your Owners may not, and each of you will cause your respective affiliates, representatives, and personnel not to: (i) conduct any marketing, advertising, or promotional activities for your Franchised Business and/or using the Marks or the System outside of your Market Territory, and/or (ii) solicit orders, jobs, or projects from customers outside of your Market Territory and/or that would be conducted outside of your Market Territory.

TDC Services

You must sign a TDC Services Addendum to offer the "The Driveway Company®" line of business. The TDC Services Addendum can be terminated at any time by you or us with 60 days' notice to the other party, or immediately by us if you or your Owners fail to comply with any of your obligations under your Franchise Agreement or your TDC Services Addendum or any other agreements with us or our affiliates, or we lose our right to offer the TDC Services and associated license program for any reason. Neither you nor any of your affiliates may offer any TDC Services without our approval and execution of the designated TDC Services Addendum. We may establish criteria or qualifications for franchisees that wish to offer TDC Services, including different service standards, different equipment and inventory, insurance requirements, or other conditions we establish. If we offer you the right to offer TDC Services, you must provide the TDC Services in accordance with all of our System Standards for the TDC Services, plus the terms, fees, and conditions of the TDC Services Addendum.

Pricing

You will have the sole right to determine the prices to be charged by your Franchised Business for services offered to customers, other than: (i) prices charged National Accounts Clients, which we will negotiate in advance with our National Accounts Clients; and (ii) we will have the sole right to determine the prices to be charged for products sold through any Franchise System Website, even if such sales are to persons identified as customers of your Franchised Business.

National Accounts Clients

We or our affiliates may periodically enter into agreements with clients that require service (the "National Account Clients"). We may provide these services ourselves or through our affiliates or designees, and/or may subcontract servicing rights to one or more third parties or franchisees. We may establish criteria or qualifications for franchisees that wish to service National Accounts Clients, including different service standards, requirements for accepting or declining jobs, insurance requirements, or other conditions we establish. If we offer you the right to provide services to a National Account Client, you must provide the services in accordance with all of our System Standards, plus the terms, fees, and conditions that we have negotiated with the National Account Client. We may invoice the National Account Client and collect payment directly. We may also charge our then-current fees for participation in the program, including dispatch, management, declined job fees, or other processing or administrative fees. In such cases, we will deduct from the payment any applicable fees

and any amounts calculated under your Franchise Agreement on the basis of such Collected Gross Revenue, and remit to you the balance within a reasonable time following receipt.

Service Warranties

Certain products and services offered to customers by your Franchised Business may be subject to one or more customer warranties, guarantees, commitments and/or similar customer service programs, including those offered by you and your affiliates and/or third-party service providers and manufacturers that offer products and services used by your Franchised Business (collectively, "Service Warranties"). During and after the term of your Franchise Agreement, you must honor all Service Warranties made to customers of your Franchised Business, including using your best efforts to assist customer of your Franchised Business tendering claims to any third-party serviced providers and manufacturers. You must obtain our approval of all Service Warranties before you offer them to customers of your Franchised Business. We may establish System Standards for any such Service Warranties periodically. All Service Warranties offered by your Franchised Business are strictly your obligation and responsibility and are not offered or guaranteed in any manner by us.

If you fail to honor any Service Warranties to your customers, we may take any action we deem appropriate to honor such Service Warranties, including by providing any services or products or support ourselves, or through our designees, affiliates, or other franchisees, and you must reimburse us any and all costs incurred by us, our designees, affiliates, representatives, or other franchisees. We may require you to pay us a reasonable deposit, post a bond, or offer another form of financial assurance to us to support any Service Warranties offered by your Franchised Business.

ITEM 17

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

THE FRANCHISE RELATIONSHIP

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

~~THE FRANCHISE RELATIONSHIP~~		
Provision	**~~Sections~~Section in Agreement**	**Summary**
a. Length of ~~the~~ franchise term	Section ~~4.1~~3.1, Summary Page; TDC Conversion Addendum Section 3; TDC Services Addendum Section 2	The initial term is ~~equal to~~ 10 years. However, if you are signing the TDC Conversion Addendum to convert an existing "The Driveway Company®" business to a Softroc Business, your initial term will match the remaining term under your existing franchise agreement for "The Driveway Company®". Your right to offer TDC Services may not be the same as your franchise term because these services are optional and either party may terminate the TDC Services Addendum any time with 60 days' notice.
b. Renewal or extension of the term	Section ~~4.1 & 4.2~~3.2	You may renew for one successive 10-year term if you ~~meet our~~satisfy the conditions ~~for renewal, you can enter into 2 consecutive successor franchise agreements. Each renewal term will be 5 years. The parties may mutually agree to further renewals but neither party is obligated to do so (subject to state law)~~described below.

~~THE FRANCHISE RELATIONSHIP~~		
Provision	**~~Sections~~Section in Agreement**	**Summary**
c. Requirements for ~~you~~franchisee to renew or extend	Section ~~4.1 & 4.2~~3.2	You must~~: not be in default; give us timely notice; sign our then-current form of~~ have: substantially complied with the Franchise Agreement and ~~related documents (e.g., Franchise Owner Agreement, Brand Protection Agreement, etc.); sign~~ all other agreements with us and our affiliates; updated the Franchised Business Office and your service vehicle and equipment; satisfied all monetary obligations owed to us or our affiliates; not been in default of any provision of the Franchise Agreement or any other agreement between you and us; notified us of your intent to renew no less than 9 months and more than 12 months prior to the end of the term; signed a then-current Franchise Agreement, which may have materially different terms and conditions (including higher Royalty Fee, higher Brand Fund Contributions and a different or modified Market Territory); reimburse us for our costs in processing the renewal; complied with then-current qualifications for new franchisees; and signed a general release (subject to state law)~~; and upgrade your equipment and vehicle if necessary to comply with our then-current standards and specifications. If you renew, you may be required to sign a contract with materially different terms and conditions than the original contract~~. We must be offering franchises for Softroc Businesses in the geographic area of your Market Territory at the time you request a renewal.
d. Termination by ~~you~~Franchisee	Section ~~20.1~~12.3; TDC Services Addendum Section 9	~~Subject to state law.~~ You can terminate ~~only if we fail to cure a material default within the cure period~~if you are in full compliance with all of the terms of your Franchise Agreement, we materially breach your Franchise Agreement, and we fail to make reasonable efforts to cure such breach within 60 days after receiving written notice from you. TDC Services are optional, and you may terminate your TDC Services Addendum at any time with 60 days' notice to us.
e. Termination by ~~us~~franchisor without cause	No provision under Franchise Agreement; TDC Services Addendum Section ~~20.4~~8	We ~~can~~may not terminate the Franchise Agreement without cause ~~if you and~~. We ~~mutually agree to terminate~~may terminate the TDC Services Addendum without cause as follows: (a) upon 60 days' notice to you for any reason, or (b) immediately we lost the right to offer the TDC Services program to franchisees.

~~THE FRANCHISE RELATIONSHIP~~		
Provision	**~~Sections~~Section in Agreement**	**Summary**
f. Termination by ~~us~~franchisor with cause	Sections 12.1 and 12.2; TDC Services Addendum Section ~~20.2 & 20.3~~8	We ~~can~~may terminate ~~if you~~the Franchise Agreement or TDC Services Addendum if you or your Owners default.
g. "Cause" defined – curable defaults	Section ~~20.2 & 20.3~~12.2; TDC Services Addendum Section 8	~~You have 10 days to cure any monetary default. You have~~We can terminate the Franchise Agreement, after a cure period as follows: 72 hours to cure violations of health or safety laws; 5 days to cure failure to maintain certifications and permits; 5 days to cure failure to pay any monies due under the Franchise Agreement; 10 days to cure failure to maintain the required insurance coverage; 10 days to cure failure to comply with applicable laws or regulations; 30 days to cure any other ~~default (other than defaults described below under "non-curable defaults")~~breach of the Franchise Agreement (that does not provide for sooner termination) (subject to state law). We may terminate your TDC Services Addendum immediately upon notice to you if you or your Owners fail to comply with your agreements with us or our affiliates, beyond any applicable cure period.

~~THE FRANCHISE RELATIONSHIP~~		
Provision	**~~Sections~~Section in Agreement**	**Summary**
h. "Cause" defined – non-curable defaults	Section ~~20.2~~12.18	The ~~following defaults cannot be cured: failure to successfully complete training; failure to open in timely manner; insolvency, bankruptcy or seizure of assets; abandonment of franchise; failure to maintain required license or permit; conviction of certain types of crimes or subject of certain administrative actions; failure to comply with material law; commission of act that may adversely affect reputation of System or Marks; health or safety hazards; material misrepresentations; 2nd underreporting of any amount due by at least 3%; unauthorized transfers; unauthorized use of our intellectual property; violation of brand protection covenant; breach of Franchise Owner Agreement by owner; or termination of any other agreement between you and us or an affiliate due to your default~~Franchise Agreement will terminate automatically without notice upon the occurrence of certain bankruptcy or insolvency-related events. We may also terminate without an opportunity to cure if you: fail to begin operations by the specified deadline; fail to have your Key Personnel satisfactorily complete the Training Program; make a material misrepresentation or omission in the franchise application; are convicted of or plead no contest to a felony or other crime; activities, behavior or conduct likely to adversely affect your Franchised Business; abandonment; unauthorized transfer; fail to maintain your Franchised Business under the supervision of an approved manager; submit reports on two or more separate occasions understating any amounts due by more than 5%; fail on two or more occasions within any 12 months to submit reports or records or to pay any fees due us or any affiliate; repeatedly breach the Franchise Agreement or comply with specifications; misuse or make unauthorized use of the Confidential Operations Manual, the Marks, trade secrets or other Confidential Information.

~~THE FRANCHISE RELATIONSHIP~~		
Provision	**~~Sections~~Section in Agreement**	**Summary**
i. ~~Your~~ Franchisee's obligations on termination/non-renewal	Section ~~21.1~~13; TDC Services Addendum Section 10	~~Obligations include: remove wraps and trade dress from service vehicle; cease use of intellectual property; return Manual and branded materials; assign telephone numbers, listings and domain names; assign customer information and accounts; cancel fictitious names; and pay amounts due, including the "Final Payment" and, if applicable, Liquidated Damages, described in Item 6 (also see "r", below)~~You must stop operating your Franchised Business and cease representing yourself as a present or former Sofroc® franchisee; deidentify your Franchised Business; stop using any trade secrets, Confidential Information, the System and the Marks; cancel or assign to us any assumed names; pay all sums owed to us including damages and costs incurred in enforcing the Franchise Agreement; return the Confidential Operations Manual, trade secrets, and all other Confidential Information; assign your email addresses, any websites and telephone numbers, and other Online Presences to us; comply with all System Standards regarding closure and de-identification; pay us a reasonable a deposit, post a bond, or offer another form of financial assurance to us to support any Service Warranties offered by your Franchised Business until such time as the Service Warranties are satisfied or have expired; comply with the covenants not to compete and any other surviving provisions of the Franchise Agreement; and pay us the final payments on Accounts Receivable. If the Franchise Agreement terminates because you have closed or abandoned your Franchised Business or expires, you must pay us liquidated damages. On termination of your TDC Services Addendum, you must cease offering TDC Services, de-brand in accordance with our instructions, and pay us the final payments on Accounts Receivable.
j. Assignment of contract by ~~us~~franchisor	Section ~~19.1~~14.1	~~No restriction~~There are no restrictions on our right to assign our interest in the Franchise Agreement.

~~THE FRANCHISE RELATIONSHIP~~		
Provision	~~SECTIONS~~**Section in Agreement**	**Summary**
k. "Transfer" by ~~you – definition~~franchisee-definition	Section ~~19.2 & Attachment A (definition of "Transfer")~~14.2	~~Includes~~ "Transfer ~~of contract or assets, or ownership change~~" includes voluntarily or involuntarily, directly or indirectly, selling, assigning, conveying, gifting, giving away, pledging, mortgaging, sublicensing, or otherwise transferring or encumbering, whether by operation of law or otherwise: (a) the Franchise Agreement or any interest in the Franchise Agreement, (b) the franchise granted to you, (c) all or substantially all of the assets of your Franchised Business, or (d) any direct or indirect ownership interest in you, your franchise rights, or your Franchised Business, including any right to share in the governance or profits thereof.
l. ~~Our~~ Franchisor's approval of transfer by ~~you~~franchisee	Section ~~19.2, 19.3 & Attachment A (definition of "Permitted Transfer")~~14.2	~~If certain conditions are met, you may transfer to a newly-formed entity owned by you, or in certain instances, to an existing owner, without our approval. We have the right to approve all other transfers but will not unreasonably withhold approval~~You may not transfer your interest in any of the items listed in Item 17(k) above without our prior written consent.

~~THE FRANCHISE RELATIONSHIP~~		
Provision	~~SECTIONS~~**Section in Agreement**	**Summary**
m. Conditions for ~~our~~franchisor approval of transfer	Section ~~19.2~~14.2	~~Transferee must: meet our qualifications; successfully complete training (or commit to do so); obtain required licenses and permits; agree in writing to assume all of your obligations under any agreements relating to the Business (including warranties issued by you); and sign then-current form of franchise agreement for remainder of term (or at our option, take assignment of existing franchise agreement). You must: be in compliance with Franchise Agreement; upgrade your equipment and service vehicle if necessary to meet current standards (or get a commitment from transferee to do so); pay transfer fee; and sign~~ We decline to exercise our right of first refusal; all obligations owed to us are paid and satisfied; you and the transferee have signed a general release (subject to state law)~~. We must notify you that we do not intend to exercise our right of first refusal~~ in the form that we prescribe, as well as all other documents we then require in connection with a transfer; you have materially complied with your Franchise Agreement; you and transferee comply with our then-current transfer procedures, including submission of documents we require; the prospective transferee and terms of the transfer meet our business and financial standards; the transferee and all persons owning any interest in the transferee sign the then-current Franchise Agreement for the existing Market Territory; you provide us with a copy of all contracts and agreements related to the transfer; we determine that the terms of the transfer are not detrimental or unfavorable to your Franchised Business or our rights; the transferee expressly assumes in writing all outstanding Service Warranties; you or the transferee pay us a transfer fee; the transferee has obtained all necessary consents and approvals of third parties; you or all of your Owners have signed a confidentiality and non-competition agreement; and the transferee's key personnel have agreed to complete the Training Program before assuming management of your Franchised Business.
n. ~~Our~~ Franchisor's right of first refusal to acquire ~~your~~franchisee's Franchised Business	Section ~~19.5~~ 14.3	We ~~have the right to~~may match ~~any bona fide, arms-length~~an offer for your Franchised Business or an ownership interest you propose to sell.

~~THE FRANCHISE RELATIONSHIP~~		
Provision	**~~Sections~~Section in Agreement**	**Summary**
o. ~~Our~~ Franchisor's option to purchase ~~your~~franchisee's Franchised Business	~~Not Applicable~~None	Not applicable.
p. ~~Your~~ Death or disability of franchisee	Section ~~19.4~~14.2	~~Within 180 days, franchise must be assigned by estate to an assignee in compliance with conditions for other transfers. We may designate a manager to operate the Business~~After the death or incapacity of an Owner of the franchise, his or her representative must transfer, subject to the terms of the Franchise Agreement, the individual's interest in the franchise within 180 days of death or incapacity or we may terminate the Franchise Agreement. We must approve the transferee prior to transfer.
q. Non-competition covenants during the term of the franchise	Section ~~14.2 & 14.3~~6.3; TDC Services Addendum Section 7	~~No involvement in competing business; comply with non-disclosure covenants~~You and your Owners each agree not to, and to cause each of your respective spouses, immediate family members, affiliates, and assigns not to, directly or indirectly: (i) own, maintain, or acquire any direct or indirect interest in or relationship with any Competitive Business (defined below), whether as record or beneficial owner, investor, employee, partner, director, officer, representative, agent, lessor, lender, or otherwise, and/or (ii) advise, operate, or provide assistance or services of any kind or nature to any Competitive Business, during the term of the Franchise Agreement, in any location.

~~THE FRANCHISE RELATIONSHIP~~		
Provision	~~Sections~~**Section in Agreement**	**Summary**
r. Non-competition covenants after the franchise is terminated or expires	Section ~~14.2, 14.4 & 21.1~~6.3; TDC Services Addendum Section 7	For a period of 2 years from and after the date of termination or expiration of the Franchise Agreement, in your Market Territory or any location that is within a 25-mile radius of your Market Territory or the market territory of any other Softroc Business, you, your owners, and your officers, governing persons, executive personnel and each individual's immediate family members are prohibited from owning or working for a Competitive Business, or soliciting or influencing any of our customers to terminate their relationship with us. ~~No involvement for 2 years in competing business in your Territory or the territory of any other Softroc Business; comply with non-disclosure covenants; cease use of intellectual property.~~ "Competitive Business" means any business that offers or provides (or grants franchises or licenses to others to operate a business that offers or provides: (1) rubber surfacing and/or resurfacing solutions for residential and/or commercial applications; and/or any other line of business, products, or services that are substantially similar to those offered by Softroc Businesses; provided, that the definition of Competitive Business will not include: (i) any business operated under a franchise agreement with us or our affiliates; or (ii) the ownership of less than 5% of the equity interest in a Competitive Business whose stock is publicly traded on a recognized United States stock exchange. During the term of your TDC Services Addendum and for 2 years after expiration or termination of your TDC Services Addendum, the definition of Competitive Business will include construction and repair services for commercial and residential driveways, including crack and joint sealing, driveway replacement, concrete pressure washing and/or other services or products that are the same as or similar to TDC Services.
s. Modification of the agreement	~~Section 24.3 & 24.8~~Sections 8.3 and 17.3	~~Requires writing signed by both parties (except for unilateral changes to Manual or unilateral reduction of scope of restrictive covenants by us). Other modifications primarily to comply with various states laws~~The Franchise Agreement can be modified only by written agreement between you and us. We may modify the System Standards and Confidential Operations Manual during the term of your Franchise Agreement.

~~THE FRANCHISE RELATIONSHIP~~		
Provision	**~~Sections~~Section in Agreement**	**Summary**
t. Integration/merger clause	Section ~~24.8~~17.4	Only the terms of the Franchise Agreement ~~and its attachments~~ are binding (subject to state law). Any representations or promises ~~made~~ outside of the Disclosure Document and Franchise Agreement may not be enforceable~~. Nothing in the Franchise Agreement or any related agreements is intended to disclaim any of the representations we made in this Disclosure Document~~.
u. Dispute resolution by arbitration or mediation	Section ~~22~~18	Subject to ~~state law, all disputes must be mediated before litigation, except for certain disputes involving our intellectual property or compliance with restrictive covenants~~our rights to seek injunctive relief, all claims, controversies, or disputes from or relating to the Franchise Agreement must be arbitrated.
v. Choice of forum	~~Section 22~~ Sections 18.1 and 18.5	~~Subject to state law, all mediation and litigation must take place in county where~~Arbitration in the city in which we maintain our principal ~~place of~~ business address (currently~~,~~ Dallas ~~County~~, Texas) ~~at time dispute arises.~~. The venue for any other proceeding is exclusively the courts located in the county in which we maintain our principal business address, currently Dallas County, Texas (subject to applicable state law). See the State Specific Addenda attached to this Disclosure Document.
w. Choice of law	Section ~~24.1~~18.4	All matters relating to arbitration will be governed by the Federal Arbitration Act. Except to the extent governed by the Federal Arbitration Act, the U.S. Trademark Act of 1946, or other federal law, any agreement between us and our affiliates and you and your affiliates, will be governed by the laws of the State of Texas (subject to applicable state law~~, Texas law governs~~). See the State Specific Addenda attached to this Disclosure Document.

ITEM 18

~~ITEM 18~~ PUBLIC FIGURES

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

ITEM 19

~~ITEM 19~~ FINANCIAL PERFORMANCE REPRESENTATIONS

The ~~FTC's~~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~~this Disclosure Document.

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

We do not make any representations about a ~~franchisee's~~franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the ~~Federal Trade Commission, the appropriate state regulatory agencies, and our~~franchisor's management by contacting ~~our~~Sherry Rose, Chief Executive Officer ~~at~~, Softroc Global, LLC, 2929 Carlisle St., Suite 100, Dallas, Texas 75204 ~~or by phone at (469) 715-4954~~, (800) 933-0803; the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

~~ITEM 20~~ OUTLETS AND FRANCHISEE INFORMATION

TABLE 1 - SYSTEM-WIDE OUTLET SUMMARY FOR YEARS ~~2019~~2020 TO ~~2021~~2022				
Outlet Type	**Year**	**Outlets at the Start of the Year**	**Outlets at the End of the Year**	**Net Change**
~~Franchised~~	~~2019~~	~~0~~	~~0~~	~~0~~
Franchised	2020	0	0	0
	2021	0	8	+8
~~Company-Owned~~	~~2019~~2022	~~0~~8	~~0~~25	~~0~~+17
Company-Owned	2020	0	0	0
	2021	0	0	0
~~Total Outlets~~	~~2019~~2022	0	0	0
Total Outlets	**2020**	**0**	**0**	**0**
	2021	**0**	**8**	**+8**
	2022	**8**	**25**	**+17**

TABLE 2 – TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR) FOR YEARS 2020 TO 2022~~FOR YEARS 2019 TO 2021~~		
State	**Year**	**Number of Transfers**
Total	~~2019~~**2020**	**0**
	~~2020~~**2021**	**0**
	~~2021~~**2022**	**0**

TABLE 3 – STATUS OF FRANCHISED OUTLETS FOR YEARS ~~2019~~2020 TO ~~2021~~2022								
State	Year	Outlets at Start of Year	Outlets Opened	~~Termin-ations~~Terminations	Non-Renewals	Reacquired by Franchisor	Ceased ~~Operations - Other Reasons~~Operation	Outlets at End of Year
Alabama	~~2019~~2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Florida	2020	0	0	0	0	0	0	0
	2021	0	~~1~~3	0	0	0	0	~~1~~3
	2022	3	5	0	0	0	0	8
~~Florida~~Georgia	~~2019~~2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	3	0	0	0	0	3
Illinois	2020	0	0	0	0	0	0	0
	2021	0	~~3~~0	0	0	0	0	~~3~~0
	2022	0	1	0	0	0	0	1
North Carolina	2020	0	0	0	0	0	0	0
~~Oklahoma~~	~~2019~~2021	0	0	0	0	0	0	0
	2022	0	2	0	0	0	0	2
Oklahoma	2020	0	0	0	0	0	0	0
	2021	0	2	0	0	0	0	2
	2022	2	0	0	0	0	0	2
South Carolina	2020	0	0	0	0	0	0	0
~~Texas~~	~~2019~~2021	0	0	0	0	0	0	0
	2022	0	2	0	0	0	0	2
Tennessee	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Texas	2020	0	0	0	0	0	0	0
	2021	0	2	0	0	0	0	2
	2022	2	3	0	0	0	0	5
~~Totals~~Utah	~~2019~~2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	2	2	0	0	0	0
Totals	**2020**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2021	**0**	**8**	**0**	**0**	**0**	**0**	**8**
	2022	**8**	**19**	**2**	**0**	**0**	**0**	**25**

TABLE 4 - STATUS OF COMPANY-OWNED OUTLETS FOR YEARS ~~2019~~2020 TO ~~2021~~2022							
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Outlets Reacquired From Franchisee**	**Outlets Closed**	**Outlets Sold to Franchisee**	**Outlets at End of Year**
Totals	~~2019~~2020	**0**	**0**	**0**	**0**	**0**	**0**
	~~2020~~2021	**0**	**0**	**0**	**0**	**0**	**0**
	~~2021~~2022	**0**	**0**	**0**	**0**	**0**	**0**

TABLE 5 - PROJECTED OPENINGS AS OF DECEMBER 31, ~~2021~~2022			
State	**Franchise Agreements Signed But Outlet Not Opened**	**Projected New Franchised Outlets in the Next Fiscal Year**	**Projected New Company-Owned Outlets in the Next Fiscal Year**
~~Alabama~~Arizona	0	1	0
~~Arizona~~	~~0~~	~~2~~	~~0~~
~~Arkansas~~	~~0~~	~~1~~	~~0~~
~~Colorado~~	~~0~~	~~1~~	~~0~~
Florida	2	~~2~~3	0
~~Idaho~~Georgia	0	1	0
~~Illinois~~Nevada	0	1	0
~~Kansas~~North Carolina	0	~~2~~1	0
~~Kentucky~~	~~0~~	~~1~~	~~0~~
~~Louisiana~~	~~0~~	~~1~~	~~0~~
~~Mississippi~~	~~0~~	~~1~~	~~0~~
~~North~~South Carolina	~~2~~0	~~2~~1	0
~~Ohio~~	~~0~~	~~2~~	~~0~~
~~South Carolina~~	~~2~~	~~4~~	~~0~~
~~Tennessee~~Texas	1	1	0
~~Texas~~**Totals**	**3**	~~3~~**9**	**0**
~~Utah~~	~~2~~	~~2~~	~~0~~
~~Totals~~	~~12~~	~~28~~	~~0~~

~~Notes:~~

~~1. For purposes of this Item 20 "Outlets" are counted as territories and not necessarily physical locations.~~

~~Our fiscal year ends on December 31st.~~Exhibit F contains a list of the names of all current franchisees ~~is attached to this Disclosure Document as EXHIBIT "E" (Part A), including their names and the addresses~~and the address and telephone ~~numbers~~number of each of their outlets as of December 31, ~~2021. In addition,~~2022. Exhibit ~~"E" (Part B) lists the name~~F also contains a list of the names, city and state, and

~~the~~ current business telephone number ~~(~~, or~~,~~ if unknown, the last known home telephone number~~)~~ of every franchisee who had an outlet terminated, transferred, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year ending December 31, 2022, or who ~~has~~have not communicated with us within 10 weeks of the Issuance Date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

~~During~~Within the last ~~3 fiscal~~three years, ~~no current or former~~ franchisees have signed confidentiality clauses ~~that restrict them from discussing with you~~. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience ~~as a franchisee in~~with our franchise system. You may wish to speak with current and former franchisee but be aware that not all such franchisees will be able to communicate with you.

~~There~~We are ~~no~~not aware of: (~~a~~i) any trademark-specific franchisee organizations associated with the franchise system being offered ~~that we have created, sponsored or endorsed~~; or (~~b~~ii) independent franchisee organizations that have asked to be included in this Disclosure Document.

ITEM 21

~~ITEM 21~~ FINANCIAL STATEMENTS

~~EXHIBIT "F"~~Attached to this Disclosure Document ~~contains (i) our~~as Exhibit E is our: (i) unaudited interim balance sheet as of March 31, 2023, and the statements of operations and cash flow for the three-month period then ended; and (ii) audited balance sheets as of December 31, ~~2021 and March 3, 2021, and the related statements of operations and member's equity, and cash flows for the period from March 3, 2021 to~~2022 and December 31, 2021~~,~~ and the related ~~notes to the financial~~ statements~~; and (ii) our unaudited balance sheet and statement of operations as of November 30, 2022. Because~~ of income, retained earnings, and cash flow for the fiscal years then-ended. We have not been in ~~existence~~operation for ~~3~~three years~~, we~~ and cannot ~~provide all of the~~present the additional financial statements as required by the FTC ~~franchise disclosure guidelines~~. Our fiscal year end is December 31.

ITEM 22 ~~CONTRACTS~~

CONTRACTS

~~Attached to this Disclosure Document (or the Franchise Agreement attached to this Disclosure Document) are copies of the following franchise and other contracts or agreements proposed for use or in use in this state:~~

~~Exhibits to Disclosure Document~~

Exhibit ~~"C"~~ B-1 — Franchise Agreement
Exhibit 1— Unlimited Guaranty and Personal Undertaking
Exhibit 2 — Holders of Legal or Beneficial Interest in Franchisee; Governing Persons
Exhibit 3 — Electronic Funds Transfer Authorization
Exhibit ~~"G"-1~~ 4 — State ~~Addenda~~Specific Riders
Exhibit ~~"G"-2~~ ~~Franchisee~~5 — Franchise Disclosure Questionnaire

Exhibit ~~"G"-3~~ B-2 — Sample General Release
Exhibit B-3 — Consent to Transfer
Exhibit ~~"G"~~B-4 — TDC Conversion Addendum
~~Attachments to Franchise Agreement~~

~~ATTACHMENT "~~Exhibit B~~"~~ ~~Franchise Owner Agreement~~-5 — TDC Services Addendum
~~ATTACHMENT "C" ACH Authorization Form~~
~~ATTACHMENT "D" Brand Protection Agreement~~
~~ATTACHMENT "E" Confidentiality Agreement~~

~~ITEM 23 RECEIPT~~

ITEM 23

RECEIPTS

Exhibit ~~"I" to~~G contains two documents that serve as a receipt of this Disclosure Document ~~are detachable receipts. You are to sign both, keep~~. Please sign and date each copy, return one copy ~~and return the other copy~~ to us, and retain the other for your records.

EXHIBIT A

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

~~EXHIBIT "A"~~
~~TO DISCLOSURE DOCUMENT~~EXHIBIT A

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws. We may not be registered to sell franchises in any or all of these states.

California

Department of Financial Protection & Innovation
~~Toll Free: 1 (866) 275-2677~~
~~Agents for Service of Process:~~
Commissioner of Department of Financial Protection & Innovation
1 (866) 275-2677

Los Angeles

Suite 750
320 West 4th Street
Los Angeles, California 90013
(213) 576-7505

Sacramento

2101 Arena Blvd.
Sacramento, California 95834
(916) 445-7205

San Diego

1455 Frazee Road, Suite 315
San Diego, California 92108
(619) 610-2093

San Francisco

One Sansome Street, Suite 600
San Francisco, California 94104
(415) 972-8559

Hawaii

(state administrator)
Business Registration Division
Securities Compliance Branch
Department of Commerce and Consumer Affairs
P.O. Box 40
Honolulu, Hawaii 96810
(808) 586-2722

~~Agents~~(agent for service of process~~:~~)
Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

Illinois

Franchise Bureau
Office of the Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

Indiana

(state administrator)
Indiana Secretary of State
Securities Division, E-111
302 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6681

~~Agents~~(agent for service of process~~:~~)
Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6531

Maryland

(state administrator)
Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

(agent for service of process~~:~~)
Maryland Securities Commissioner
at the Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

Michigan

(state administrator)
Michigan Attorney General's Office
Consumer Protection Division
Attn: Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48909
(517) 373-7177

(agent for service of process~~:~~)
Michigan Department of Commerce,
Corporations and Securities Bureau
P.O. Box 30054
6546 Mercantile Way
Lansing, Michigan 48909

Minnesota

Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101
(651) 539-1600

~~Agent for Service of Process:~~
~~Commissioner of Commerce~~
~~Minnesota Department of Commerce~~
~~85 7th Place East, Suite 280~~
~~St. Paul, Minnesota 55101~~
~~(651) 539-1600~~

New York

(state administrator)
NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, ~~NY~~New York 10005
~~Phone:~~ (212) 416-8236
~~Fax: (212) 416-6042~~
~~Agents~~(agent for service of process~~:~~)
~~Attention: New York Secretary of State~~
New York Department of State
One Commerce Plaza~~,~~
99 Washington Avenue, 6th Floor
Albany, ~~NY~~New York 12231-0001
(518) 473-2492

North Dakota

North Dakota Securities Department
600 East Boulevard Avenue
State Capitol ~~- Fifth~~, 5th Floor
~~Bismarck, North Dakota 58505~~
~~(701) 328-4712~~
~~Agents for Service of Process:~~
~~Securities Commissioner~~
~~600 East Boulevard Avenue~~

~~State Capitol - Fifth Floor~~
Bismarck, North Dakota 58505
(701) 328-4712

Oregon

Department of Business Services
Division of Finance & Corporate Securities
350 Winter Street, NE, Room 410
Salem, Oregon 97310-3881
(503) 378-4387

Rhode Island

Department of Business Regulation
Division of Securities
John O. Pastore Complex
Building 69-1
1511 Pontiac Avenue
Cranston, Rhode Island 02920
(401) 462-9645

South Dakota

Division of Insurance
Securities Regulation
124 ~~S.~~South Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-3563

Virginia

(state administrator)

State Corporation Commission
Division of Securities
and Retail Franchising
1300 East Main Street, Ninth Floor
Richmond, Virginia 23219
(804) 371-9051

~~Agents~~(agent for service of process~~:~~)

Clerk, State Corporation Commission
1300 East Main Street, ~~First~~1st Floor
Richmond, Virginia 23219
(804) 371-9733

Washington

(state administrator)

Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, Washington 98507-9033
(360) 902-8760

~~Agents~~(agent for service of process~~:~~)
Director
Department of Financial Institutions
Securities Division
150 Israel Road, S.W.
Tumwater, Washington 98501

Wisconsin

(state administrator)
Securities and Franchise Registration
Wisconsin Department of Financial Institutions
4022 Madison Yards Way, North Tower
Madison, Wisconsin 53705
(608) 266-1064

~~Agents~~(agent for service of process~~:~~)
Office of the Secretary
Wisconsin Department of Financial Institutions
P.O. Box 8861
Madison, Wisconsin 53708-8861
(608) 261-9555

EXHIBIT ~~C~~B-1

~~TO DISCLOSURE DOCUMENT~~

FRANCHISE AGREEMENT

~~[See Attached]~~

SOFTROC GLOBAL, LLC

FRANCHISE AGREEMENT

FRANCHISE AGREEMENT
SUMMARY PAGE

EXPIRATION DATE: _____

FRANCHISEE(S): _____

TYPE OF BUSINESS ENTITY: _____

STATE OF FORMATION: _____

~~FRANCHISEE INFORMATION~~

AUTHORIZED TRADE NAME: ~~[_____]~~ Softroc of _____

FRANCHISED BUSINESS OFFICE: _____

TELEPHONE NUMBER: _____

E-MAIL ADDRESS: ~~[_____]~~ _____

_____

MARKET TERRITORY:	The area identified on the attached map.
POPULATION:	Market Territory population: _____
STORAGE:	☐ on-site (same site as Franchised Business Office) ☐ off-site
FRANCHISE FEE:	$_____
VETERAN'S DISCOUNT:	☐ You do qualify for a Veteran's Discount ☐ You do not qualify for a Veteran's Discount
MINIMUM AVERAGE ~~Phone~~MONTHLY SALES:	$13,000 per month (trailing 6 months) beginning on 25th month ~~[_____]~~
ROYALTY FEE:	Greater of: (i) 7% of Collected Gross Revenue for the previous month; or (ii) the Minimum Royalty Fee as follows:

Months After Opening	Minimum Royalty Fee
Initial 6 full / partial months	$0 per month
7th month through 12th month	$250 per month
13th month through remainder of term	$500 per month

BRAND FUND CONTRIBUTION:	Currently, 1% of Collected Gross Revenue. Subject to change by us, in an amount not to exceed 2% of Collected Gross Revenue
TRANSFER FEE:	$5,000
FRANCHISOR ADDRESS FOR NOTICES:	Softroc Global, LLC Attn: Chief Executive Officer 2929 Carlisle St., Suite 100

~~Email:~~ ~~[_____]~~ Dallas, Texas 75204

~~Date of Agreement:~~ ~~[_____]~~

ADDITIONAL COMMENTS: None

Franchisor Initial

Franchisee Initial

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EXHIBITS

~~ATTACHMENT "A"~~ ~~Deal Terms~~
1. UNLIMITED GUARANTY AND PERSONAL UNDERTAKING
2. FRANCHISE OWNERS
3. ELECTRONIC FUNDS TRANSFER AUTHORIZATION
~~ATTACHMENT "B"~~ 4. STATE-SPECIFIC RIDERS TO THE FRANCHISE ~~Owner~~ AGREEMENT
~~ATTACHMENT "C"~~ ~~ACH Authorization Form~~
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5. FRANCHISE DISCLOSURE QUESTIONNAIRE

SOFTROC GLOBAL, LLC
~~SOFTROC~~ FRANCHISE AGREEMENT

This ~~Softroc~~ Franchise Agreement (including all exhibits hereto, as amended, restated, supplemented, or otherwise modified from time to time, this "**Agreement**") is entered into ~~as of _____, 202__ (~~on the ~~"~~Effective Date~~")~~ by and between Softroc Global, LLC~~,~~ a Delaware limited liability company, having its principal place of business at 2929 Carlisle St., Suite 100, Dallas, Texas 75204 ("**we**" ~~or "us")~~ and ~~_____, a(n) _____~~"**our**"), and the franchisee identified in the Summary Page ("**you**" and "**your**").

~~1. DEFINITIONS~~BACKGROUND

~~. Capitalized terms used in this Agreement are defined either in the body of this Agreement or in ATTACHMENT "F". For capitalized terms that are defined in the body of this Agreement, ATTACHMENT "F" lists the Sections of this Agreement in which such terms are defined.~~

~~**GRANT OF FRANCHISE.**~~WHEREAS, we ~~hereby grant you a license to own and operate a Softroc Business (your "Business" or your "Softroc Business") using our Intellectual Property solely within the Territory described in Section 3.1 below. As a franchisee, you will~~have developed and will further develop distinctive and proprietary business systems, methods, designs, layouts, standards, and specifications, all of which we may improve, substitute, further develop, or otherwise modify from time to time (together, the "**System**") identified by the name "Softroc®" and other trademarks, service marks, graphics, trade names, trade dress, slogans, and other commercial symbols as we may approve from time to time ("**Marks**"), to establish and operate a ~~Softroc~~ business ~~specializing in the~~providing installation, cleaning, maintenance and repair of rubber safety surfacing for both residential and commercial applications ~~("Softroc Services"). For purposes of this Agreement, a "Softroc Business" refers to any Softroc Business operated by us, our affiliates, you or other franchisees. We reserve all rights not expressly granted to you.~~and additional products and services authorized by us ("**Softroc Businesses**");

WHEREAS, we grant to qualified persons and business entities the right to own and operate a Softroc Business using the System and the Marks; and

WHEREAS, you wish to operate a Softroc Business, have applied for a franchise, and have been approved by us in reliance upon the representations made herein and therein to operate a Softroc Business under the terms of this Agreement.

NOW, THEREFORE, the parties hereto, intending to be legally bound, agree as follows:

1. GRANT AND SCOPE OF FRANCHISE

1.1. ~~3. TERRITORIAL RIGHTS AND LIMITATIONS~~Grant

~~.~~

~~**3.1. Grant of Territory.**~~ We hereby grant to you ~~a marketing territory (your "Territory") that: (a) consists of the geographic area described in Part B of ATTACHMENT "A"; and (b) includes a minimum population of 100,000 (as of the date the Territory is designated by us). You may not relocate or modify~~

~~your Territory~~ , and you undertake and accept, upon the terms and conditions herein contained, a limited and non-exclusive license to operate one Softroc Business using the System and Marks on the terms described in this Agreement (your "**Franchised Business**"). You may not sublicense the use of the System or Marks to any person or delegate the operation or supervision of your Franchised Business, without our prior written ~~consent, which we may withhold in our discretion~~approval.

~~**3.2. Extra-Territorial Operations.** You must operate your Business and direct your marketing activities solely within your prescribed Territory. Without our prior written consent, which we may withhold in our sole discretion, you may not conduct any targeted marketing directed into any area outside your Territory. Marketing that is distributed, circulated or received both within your Territory and outside your Territory is not deemed to be "targeted marketing" if: (a) you use reasonable efforts to limit the circulation or distribution of the advertising to areas within your Territory; and (b) the majority of the recipients of the advertising are located within your Territory and there is only incidental circulation or distribution outside your Territory. The meaning of "targeted marketing" that is "directed into an area" may be further defined in the Manual, but examples include direct mail sent to addresses within a given area, digital advertising sent to devices with IP addresses that are registered within a given area and setting up promotional events that take place within a given area. You may contract with customers that reside outside your Territory and service their properties as long as you do not solicit the customer or secure the job as a result of targeted marketing that was directed outside of your Territory.~~

~~**3.3. Territorial Marketing Protections.** As long as you are in compliance with this Agreement, no other Softroc Business will be permitted to conduct targeted marketing directed into your Territory for purposes of soliciting customers, except as otherwise permitted by Section 3.4.~~

2. Market Territory

You and we have agreed on a geographic area described on the Summary Page of this Agreement (the "**Summary Page**") to act as your territory for conducting marketing activities and soliciting customers (the "**Market Territory**"). You hereby agree that, without our prior authorization, you and your Owners will not, and each of you will cause your respective affiliates, representatives, an personnel not to: (i) conduct any marketing, advertising, or promotional activities for your Franchised Business and/or using the Marks or the System outside of your Market Territory, and/or (ii) solicit orders, jobs, or projects from customers outside of your Market Territory and/or that would be conducted outside of your Market Territory.

You acknowledge and agree that it is integral to the franchise system that you respect the territorial restrictions contained in this Agreement, and that your failure to respect such boundaries affects not only other franchisees but also our relationship with our other franchisees and the integrity of the franchise system itself. You further acknowledge and agree that the harm caused by such failure would be difficult to calculate. Therefore, you agree that if you breach the terms of Section 1.2 without limiting our other rights including our right of termination under Section 12.2, you must pay us liquidated damages in an amount equal to the greater of: (i) $5,000 per incident for any marketing, advertising, or promotional activities conducted outside of your Market Territory in breach of Section 1.2, or (ii) 100%

of the job value for any work obtained in breach of Section 1.2. You acknowledge and agree that the foregoing amount represents a reasonable forecast of just compensation for the breach.

You understand that your Market Territory is strictly a limitation on the geographic area where you may conduct marketing activities. **Your Market Territory is not an exclusive territory and you will have no territorial protections in the Market Territory. Nothing in this Agreement will restrict or limit, in any manner, our or our affiliates' rights to conduct marketing or other business activities, solicit or accept customers, and/or grant licenses or franchises of any kind, in any location whatsoever.** We may operate and/or authorize other franchisees to operate, solicit customers, and conduct services in your Market Territory from time to time, as we determine in our sole discretion. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

3. FEES~~Limitations on Territorial Marketing Protections~~. ~~Your territorial protections are limited and subject to the following exceptions and limitations described below:~~

3.1. Franchise Fee~~We and other Softroc Businesses have the unrestricted right to contract with customers located within your Territory and perform jobs at sites located within your Territory as long as neither we nor the other Softroc Business, as applicable, solicited the customer or obtained the job as a result of targeted marketing directed into your Territory.~~

~~(ii) We have the unrestricted right to conduct targeted marketing that is directed into your Territory for purposes of: (a) developing and promoting the brand generally (as opposed to marketing that is intended to solicit customers); (b) soliciting prospective purchasers of Softroc franchises; and/or (c) soliciting customers we intend refer to you.~~

Upon execution of this Agreement, you must pay us an initial fee ("**Franchise Fee**") in the amount stated on the Summary Page. The Franchise Fee is deemed fully earned upon execution of this Agreement and is non-refundable under any circumstances.

4. Royalty Fee

You must pay us a monthly royalty fee calculated in the manner described on the Summary Page ("**Royalty Fee**"). The due date and intervals of the Royalty Fee will be provided in the Confidential Operations Manual, and remain subject to change from time to time, provided that they will not be changed without at least 30 days prior notice to you. With no less than 30 days prior notice, we may increase the amount of the Minimum Royalty Fees reflected on the Summary Page in an amount not to exceed the aggregate rate of inflation established by the U.S. Bureau of Labor's Consumer Price Index since the Effective Date, or such later date as we last adjusted the Minimum Royalty Fees.

For the purposes of this Agreement, "**Collected Gross Revenue"** means the aggregate of all revenue and consideration of any kind derived from your Franchised Business, whether from check, cash, credit or otherwise, including all proceeds from any business interruption insurance, but excluding (a) all refunds actually made to customers in good faith, (b) any sales and equivalent taxes that are collected by you for or on behalf of any governmental taxing authority and paid thereto, and (c) uncollected amounts not paid by customers. With respect to National Accounts Clients, Collected Gross Revenue includes all

revenue received by us for performance of services, without deduction for dispatch or claims management fees or similar fees.

5. Taxes

If any taxes, fees, or assessments are imposed on your payment of any fees (except taxes imposed on your net taxable income), you must also pay the amount of those taxes, fees, or assessments. If we for any reason pay any such taxes on your behalf, such amounts will be indemnified by you under Section 16.2 of this Agreement.

6. Technology Fee

We may require you to pay a fee from time to time for technology related services (the "**Technology Fee**"). We may periodically modify the amount of the Technology Fee and the method or timing for payment. The Technology Fee is in addition to all direct out-of-pocket costs you must otherwise incur to acquire, maintain, or service the Technology Systems as described in Section 10.3. The amount of the Technology Fee may also be determined in part by factors that are unique to your Franchised Business (such as the number of email addresses provided to you and your representatives).

7. Transfer Account and Payment Method

You must open and maintain a single commercial deposit account for your Franchised Business (the "**Transfer Account**"). All Collected Gross Revenue from your Franchised Business must be deposited in the Transfer Account immediately upon receipt. You must ensure that there are sufficient funds in the Transfer Account to cover amounts owed to us prior to the date such amounts are due. You agree to execute such documents required by us to authorize us to directly debit amounts owed under this Agreement from the Transfer Account. The current form of Electronic Depository Transfer Authorization is attached to this Agreement as Exhibit 3. You may not close the Transfer Account without our prior written approval. You may periodically designate an alternative method of payment for any payment due hereunder and you agree to comply with our payment instructions. All amounts payable to us or our affiliates must be in United States Dollars ($USD).

8. Interest on Past Due Amounts

All amounts owed under this Agreement to us that are not received by us on the due date, will bear interest at a rate of 1.5% per month (or the maximum rate permitted by law, if less) from the date payment is due to the date payment is received by us. In addition, you must pay us for all costs we incur in the collection of any unpaid and past-due amounts, including reasonable attorney fees.

9. Undisclosed Sales

If you fail to report your Collected Gross Revenue when due, then for each payment under this Agreement calculated based on Collected Gross Revenue, we may debit the Transfer Account 110% of the average of the last three applicable payments. If the amounts that we debit from the Transfer Account are less than the amounts actually owed (once the Collected Gross Revenue is accurately determined), we will debit the Transfer Account for the balance. If the amounts that we debit from the Transfer Account are greater than the amounts actually owed, we will credit the excess against the amounts we otherwise would debit from the Transfer Account on the next payment due date.

10. Application of Payments

~~(iii)~~ Notwithstanding any designation, we ~~reserve~~have the right to ~~acquire, or be acquired by, another business or chain that may sell competitive or identical goods or services, and those businesses may be converted into Softroc Businesses operating under the Marks regardless of their location. Any such acquired or converted businesses may be located within your Territory and may conduct targeted marketing directed within your Territory for purposes of soliciting customers.~~apply any payments by you or your Owners to any past due amounts that you or your affiliates owe us or our affiliates, including for Royalty Fees, Brand Fund Contributions, purchases of products or services, license fees for proprietary software and platforms, or any other amount owed to us or our affiliates in any proportion or priority. You may not withhold payment of any amounts owed to us or our affiliates for any reason, including for any alleged non-performance by us or offset such amounts in any manner.

11. ~~4.~~ TERM AND RENEWAL

12. Initial Term

This Agreement will begin on the date that we sign this Agreement (the "**Effective Date**") and will expire on the Expiration Date stated on the Summary Page. If no Expiration Date is specified on the Summary Page, this Agreement will expire on the 10th anniversary of the Effective Date.

13. Successor Term

Subject to the conditions below, you have the right to obtain a successor franchise at the expiration of the term of this Agreement by entering into a new franchise agreement with us. Your right to a successor franchise is limited to one successive term of 10 years. To qualify for a successor franchise, each of the following pre-conditions must have been fulfilled and remain true as of the last day of the term of this Agreement:

(a) You and your affiliates and Owners have, during the entire term of this Agreement, substantially complied with this Agreement, and all other agreements with us and our affiliates;

~~**4.1. Generally**. The term of this Agreement will begin on the Effective Date and expire 10 years thereafter (the "Term"). If this Agreement is the initial franchise agreement for your Business, you may enter into a maximum of two (2) successor franchise agreements (each, a "Successor Agreement") as long as you meet the conditions for renewal specified below. The Successor Agreement shall be the current form of franchise agreement that we use in granting franchises as of the expiration of the Term or renewal term, as applicable. The terms and conditions of the Successor Agreement may vary materially and substantially from the terms and conditions of this Agreement. Upon renewal, we also reserve the right to modify the boundaries of your Territory in accordance with our then-current territory guidelines and criteria. Each renewal term will be five (5) years. You will have no further right to operate your Business following the expiration of the final renewal term unless we grant you another franchise in our sole discretion. If this Agreement is a Successor Agreement, the renewal provisions in your original franchise agreement will dictate the length of the Term of this Agreement as well as your remaining renewal rights, if any.~~

4.2. Renewal Requirements. In order to enter into a Successor Agreement, you and the Owners (as applicable) must:

(i) notify us in writing of your desire to enter into a Successor Agreement not less than 270 days nor more than 360 days before the expiration of the Term or renewal term, as applicable;

(ii) not be in default under this Agreement or any other agreement with us or any affiliate of ours at the time you send the renewal notice or the time you sign the Successor Agreement;

(iii) sign the Successor Agreement and all ancillary documents we require franchisees to sign;

(iv) sign a General Release;

(b) (v) upgrade, update and refurbish yourYou have updated the Franchised Business Office, service vehicle(s), tools and equipment if necessary to comply with, to reflect our then-current System Standards and specificationsapplicable to new franchisees; and

(c) You and your affiliates and Owners have satisfied all monetary obligations owed to us and our affiliates, and have timely met these obligations throughout the term of this Agreement;

(d) You and your affiliates and Owners are not in default of any provision of this Agreement or any other agreement between you and us;

(e) You have given written notice of your intent to operate a successor franchise to us not less than nine months nor more than twelve months prior to the end of the term of this Agreement;

(f) You and your Owners have executed our then-current form of franchise agreement and associated documents, agreements, and guarantees, which franchise agreement will supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement by requiring, among other things, a different percentage Royalty Fee, or Brand Fund Contribution, or a different or modified Market Territory;

(g) You reimburse us for our direct out-of-pocket costs for processing the renewal (including legal fees);

(vi) take any additional actions we reasonably require.

Interim Term. If you do not sign a Successor Agreement after the expiration of the Term and you continue to accept the benefits of this Agreement, then at our option, this Agreement may be treated either as: (a) expired as of the date of the expiration with you then operating without a franchise to do so and in violation of our rights; or (b) continued on a month-to-month basis (the "Interim Term") until either party provides the other party with 30 days' prior written notice of the party's intention to terminate the Interim Term. In the latter case, all of your obligations will remain in full force and effect during the Interim Term as if this Agreement had not expired, and all obligations and restrictions imposed on you upon the

expiration or termination of this Agreement will be deemed to take effect upon the termination of the Interim Term.Except as otherwise permitted by this Section 4, you have no right to continue to operate your Business following the expiration of the Term.

TRAINING AND CONFERENCES

Initial Training Program. Your Managing Owner and designated manager must attend and successfully complete our initial training program before you open your Business, including the training program conducted by us and any initial training program we require that is conducted by a third party. We reserve the right to conduct the initial training program virtually. Your Managing Owner and designated manager must pass any test we require at the end of initial training to determine whether training was completed "successfully."

Initial Training For New Owners/Managers. If you hire a new designated manager or appoint a new Managing Owner after we conduct our pre-opening initial training program, the new designated manager or Managing Owner, as applicable, must attend and successfully complete our then-current initial training program.

Periodic Training. We may offer periodic refresher or additional training courses for your Managing Owner and designated manager. Attendance at these training programs is mandatory.

Additional Training Upon Request. Upon your written request, we may provide additional assistance or training to you at a mutually convenient time.

Remedial Training. If we determine that you are not operating your Business in full compliance with this Agreement and/or the Manual, we may, at our option, require that your Managing Owner and designated manager attend remedial training that is relevant to your operational deficiencies.

Conferences. We may hold periodic national or regional conferences to discuss various business issues and operational and general business concerns affecting Softroc franchisees. Attendance at these conferences is mandatory for your Managing Owner and, if required by us, your designated manager.

Training Fees and Expenses. We will provide our pre-opening initial training program at no additional charge. However, you must pay Rubaroc a $3,000 initial training fee for the portion of initial training conducted by Rubaroc's designated representative. We may charge you an additional training/assistance fee of up to $600 per person per day for:

(i) each person that attends our initial training program after you open your Business (such as a new Managing Owner or designated manager);

(ii) any person who retakes training after failing on a prior attempt;

(iii) any remedial training we require based on your operational deficiencies;

(iv) each person to whom we provide additional training that you request;

(v) each person who attends any system-wide or additional training that we conduct; and

(vi) any special assistance you request beyond what we must provide under this Agreement.

If we agree to provide onsite training or assistance, you must also reimburse us for all costs incurred by our representative for meals, travel and lodging. We may charge you a conference registration fee of up to $500 per person per conference. You must pay us the conference registration fee even if you fail to attend a required conference, although we may waive the fee if you demonstrate good cause for your inability to attend. You are responsible for all expenses and costs that your trainees incur for training or attending conferences, including wages, travel and living expenses. All training fees and expense reimbursements are due 10 days after invoicing.

OTHER FRANCHISOR ASSISTANCE.

6.1. Manual. During the Term, we will provide you with access to our confidential Brand Standards Manual (the "Manual") in text or electronic form. The Manual will help you establish and operate your Business. The information in the Manual is confidential and proprietary and may not be disclosed to third parties without our prior approval.

6.2. General Guidance. Based upon our periodic inspections of your Softroc Business or reports that you submit to us, we will provide our guidance and recommendations on ways to improve the marketing and/or operation of your Business. We will be available to render advice, discuss problems and offer general guidance to you during normal business hours by telephone, e-mail, facsimile, newsletters, and other methods. We will not charge for this service unless we determine, in good faith, that you are utilizing this service too frequently or in an unintended manner, in which case we may charge you the additional assistance fee set forth in Section 5.7(vi).

Field Visits. We have the right, but not the obligation, to conduct periodic field visits for purposes of providing onsite consultation, assistance and guidance pertaining to the operation and management of your Business. We may also accompany you and your staff to job sites in order to monitor and evaluate your operations and performance of Softroc services for compliance with our standards and specifications. We may prepare and provide you with a report detailing any problems or concerns observed during the field visit together with required or suggested changes or improvements to address or resolve such problems or concerns. You must implement all required changes or improvements in the time and manner we specify.

6.4. Marketing Assistance. As further described in Section 11.1 and Section 11.2, we will administer the brand and system development fund and provide you with other marketing assistance during the Term.

6.5. Website. We will maintain a corporate website for our brand. We may modify the content of and/or discontinue the website at any time in our sole discretion. We will also provide you with your own local landing page that will be linked to our corporate website. Your local landing page will include such information about your Business as we deem appropriate. We will own the website (including your landing page) and domain name at all times.

Email Addresses. As part of the technology fee, we will provide you with Softroc email addresses for use with your Business. You must exclusively use the email address(es)

~~we provide for all communications with us, customers, suppliers and other persons relating to your Business. You may not use any email address that we provide to you for any purpose unrelated to your Business. We will own the email addresses and the account but allow you to use them during the Term.~~

~~**6.7. Purchase Agreements**. We may, but need not, negotiate purchase agreements with suppliers to obtain discounted prices for us and our franchisees. If we succeed in negotiating a purchase agreement, we will arrange for you to be able to purchase the goods directly from the supplier at the discounted prices we negotiate (subject to any rebates the supplier pays to us). We may also purchase certain items from suppliers in bulk and resell them to you at our cost plus shipping fees and a reasonable markup.~~

~~**6.8. Call Center**. We may operate, or designate a third-party provider to operate, a call center to answer calls, set customer appointments, and provide other related services. You must participate in the call center program and pay all reasonable setup and monthly fees designated by us or the third-party provider. Participation in the program may include, without limitation:~~

~~(i) using and publishing a telephone number that we designate;~~

~~(ii) engaging a designated service provider (which may be us, our affiliate, or a third party) to answer calls, set customer appointments, and provide other related services;~~

(h) ~~(iii) acquiring, installing, and using related technology~~You and your Owners satisfy our then-current qualifications for new franchisees;

~~(iv) using designated service providers; and~~

~~(v) executing any related user or service agreement designated by us or the third-party provider.~~

~~At any time that we are not implementing a call center program, you must arrange for the answering of all incoming phone calls during regular business hours. Your failure to comply with this requirement is a material breach of this Agreement.~~

(i) We are then offering franchises for Softroc Businesses in the geographic market area of your Market Territory; and

(j) You and your Owners have executed a general release, in a form prescribed by us, of any and all claims against us, any affiliate and against their officers, directors, shareholders, managers, members, partners, owners, employees, and agents (in their corporate and individual capacities), except to the extent prohibited by the applicable law.

14. DEVELOPMENT OF FRANCHISED BUSINESS

15. Franchised Business Office

The street address or description of the premises of the location from which you will operate your Franchised Business (your "**Franchised Business Office**") is described on the Summary Page. If you have not identified the site that will be your Franchised Business Office as of the Effective Date,

you will have a period of 90 days from and after the Effective Date to obtain our approval of the proposed site of your Franchised Business Office. After the Franchised Business Office is approved, you agree that we have the right to enter the address into the Summary Page without that change being deemed an amendment to this Agreement. The service tools and equipment for your Franchised Business may not be stored at the any location other than the Franchised Business Office, other than pursuant to Section 4.2 below. You are solely responsible for obtaining occupancy rights to the Franchised Business Office, and for maintaining, insuring, and paying all associated costs for the Franchised Business Office. You must manage and administer your Franchised Business from the Franchised Business Office, including maintaining the books and records of your Franchised Business at the Franchised Business Office. We may from time to time establish System Standards for the Franchised Business Office, including relating to size, safety, or insurance requirements, and you agree to comply with all System Standards. You may not relocate the Franchised Business Office without our prior written consent.

16. Storage Space

~~**National Accounts**. We may, but need not, establish relationships with National Account customers and refer projects to you. A "National Account" is a commercial customer that has multiple outlets, offices, properties or other facilities, one or more of which may be located in your Territory. We may (but need not) refer to you certain projects for National Account customers involving properties located within your Territory. We have no obligation to refer these projects to you, and we may complete these projects ourselves, or appoint other Softroc franchisees or dealers to complete these projects, including projects involving properties located within your Territory. You must notify us within 48 hours whether you choose to accept or decline any project we refer to you. If you choose to accept the work, you must honor the terms of any contract we have entered into with the National Account customer (including pricing terms). We reserve the exclusive right to collect all payments made by National Account customers. If we collect payment from a National Account customer for a project completed by you, we will remit the payment to you within 30 days after receipt. We reserve the right to deduct any fees or other amounts owed to us and/or our affiliates before remitting the net payment (if any) to you.~~

~~7.~~ If there is insufficient space at the Franchised Business Office to store your Franchised Business' service tools and equipment, then you may be permitted to store the same off-site within a leased storage unit, provided that you inform us in writing of the location of the storage unit. The storage unit may not display any signage reflecting the Marks. We may from time to time establish other System Standards for off-site storage, including relating to size, safety, or insurance requirements, and you agree to comply with all System Standards for such off-site storage. We reserve the right to make off-site storage mandatory if we determine that it is necessary to satisfy our System Standards, or that ~~**ESTABLISHING**~~ your Franchised Business Office does not offer sufficient storage.

16.1. ~~7.1. Vehicle~~Service Vehicles

~~. Prior to opening,~~ You must purchase ~~a tradesman van or a pickup truck with trailer to accommodate the required equipment. You must wrap the vehicle and~~one or more service vehicles that meet our System Standards to conduct your Franchised Business. You must wrap all service vehicles and any associated trailer according to our ~~specifications. Without our prior written consent,~~System

Standards. You may not use your service vehicle(s) for any purpose unrelated to your Franchised Business. You and your staff must exclusively ~~utilize this~~use the service vehicle(s) we have approved and meeting our System Standards to travel to and from job sites. You must keep your vehicle in good maintenance and repair and ensure that it is consistently washed and kept in clean and safe condition. Each person that drives your vehicle must: (a) be appropriately licensed and insured; and (b) drive in a safe manner in compliance with all applicable laws.

~~**Initial Inventory Purchase.** You must purchase your initial supply of Softroc Product exclusively from Rubaroc International Inc. ("Rubaroc"). The cost of this initial purchase is $10,000 and includes mixing equipment. Payment is due at the time you complete the portion of the initial training program that is conducted by Rubaroc's representative. After opening, you must purchase your ongoing supply of Softroc Product exclusively from Rubaroc or any other supplier that we designate.~~

~~**Equipment and Supplies**. Before you open, you must purchase all tools, equipment and other supplies that we require for the installation, cleaning, maintenance and repair of Softroc Product. All of these tools and equipment must be purchased exclusively from Rubaroc or any other supplier that we designate.~~

~~**Office and Storage Facility**. You may operate your Business from a home office. You may not operate from a separate commercial office without our prior approval. However, you do need adequate storage space for purposes of storing your equipment, tools and Softroc Product. You may store these materials in your garage if you have sufficient space. Otherwise you must rent commercial storage space.~~

16.2. ~~7.5.~~ Opening of Franchised Business

~~. You must open your Business to the public within 180 days after the Effective Date. You may not open your Business prior to receipt of a written authorization to open issued by us, which will not be unreasonably withheld. We will not issue an authorization to open before:~~

~~(i) the Managing Owner successfully completes the initial training program;~~

~~(ii) you purchase all required insurance and furnish us with evidence of coverage;~~

~~(iii) you obtain all required licenses, permits and other governmental approvals;~~

~~(iv) you purchase your initial supply of Softroc Product and all service tools and equipment we require;~~

~~(v) you lease or otherwise secure suitable storage space;~~

~~(vi) you set up your office and acquire and install all systems we require (including your computer and point-of-sale system); and~~

~~(vii) you acquire a tradesman van or a pickup truck with trailer that meets our standards and specifications and is properly wrapped in accordance with our requirements.~~

BY VIRTUE OF OPENING YOUR BUSINESS, YOU ACKNOWLEDGE THAT WE HAVE FULFILLED ALL OF OUR PRE-OPENING OBLIGATIONS TO YOU.

MANAGEMENT AND STAFFING.

Owner Participation. You must designate an owner who will have overall responsibility for the management and operation of your Business (the "Managing Owner"). The Managing Owner must: (a) be approved by us; (b) successfully complete all training programs we require; and (c) at all times hold at least a 20% ownership interest in the franchise (or the entity that is the franchisee under the Franchise Agreement) unless we waive this requirement. Any new Managing Owner you appoint must successfully complete our then-current initial training program before becoming involved with the supervision, management or operation of the Business.

Designated Manager. You must appoint a person to serve as your designated manager. The designated manager is responsible for the day-to-day onsite management and supervision of the Business and your employees. Your Managing Owner may, but need not, serve as your designated manager. The designated manager must successfully complete all training programs we require and dedicate full time efforts (at least 35 hours per week) to the Business. Your designated manager must sign the Brand Protection Agreement (your Managing Owner is not required to sign a Brand Protection Agreement even if he or she serves as your designated manager). We do not require that your designated manager own any equity interest in the franchise. The Managing Owner must monitor and supervise the activities of the designated manager to ensure the Business is operated in accordance with this Agreement and the Manual. The Manager Owner need not dedicate full time efforts to the Business unless he or she also serves as your designated manager. The Managing Owner must assume responsibility for the day-to-day onsite management and supervision of your Business and your employees if the designated manager is unable to perform his or her duties due to death, disability, termination of employment, or for any other reason, until you hire a new designated manager who is approved by us and fully trained.

Employees. You must determine appropriate staffing levels for your Business to ensure full compliance with this Agreement and our system standards. You may hire, train and supervise employees to assist you with the proper operation of the Business. You must pay all wages, commissions, fringe benefits, worker's compensation premiums and payroll taxes (and other withholdings required by law) due for your employees. These employees will be employees of yours and not of ours. We do not control the day to day activities of your employees or the manner in which they perform their assigned tasks. You must inform your employees that you exclusively supervise their activities and dictate the manner in which they perform their assigned tasks. In this regard, you must use your legal business entity name (not our Marks or a fictitious name) on all employee applications, paystubs, pay checks, employment agreements, time cards, and similar items. We also do not control the hiring or firing of your employees. You have sole responsibility and authority for all employment related decisions, including employee selection and promotion, hours worked, rates of pay and other benefits, work assignments, training and working conditions. We will not provide you any advice or guidance on these matters. You must require that your employees review and sign the acknowledgment form we prescribe that explains the nature of the franchise

relationship and notifies the employee that you are his or her sole employer. You must also post a conspicuous notice for employees explaining your franchise relationship with us and that you (and not we) are the employee's sole employer. We may prescribe the form and content of this notice.

Interim Manager. We have the right, but not the obligation, to designate an individual of our choosing (an "Interim Manager") to manage your Business if either: (a) your Managing Owner ceases to perform the responsibilities of a Managing Owner (whether due to retirement, death, disability, or for any other reason) and you fail to appoint an approved replacement Managing Owner within 30 days; or (b) you are in material breach. The Interim Manager will cease to manage your Business at such time that you appoint an approved replacement Managing Owner who has completed training or you cure the material breach, as applicable. If we appoint an Interim Manager, you agree to pay us a management fee equal to $500 per day during the period of time that the Interim Manager manages your Business. You must also reimburse us for all travel and living expenses incurred by the Interim Manager. The Interim Manager will have no liability to you except for gross negligence or willful misconduct. We will have no liability to you for the activities of an Interim Manager unless we are grossly negligent in appointing the Interim Manager.

FRANCHISEE AS ENTITY. You represent that Part A of ATTACHMENT "A" includes a complete and accurate list of your Owners. Upon request, you must provide us with a resolution of the Entity authorizing the execution of this Agreement, a copy of the Entity's organizational documents and a current Certificate of Good Standing (or the functional equivalent thereof). You represent that the Entity is duly formed and validly existing under the laws of the state of its formation.

FRANCHISE OWNER AGREEMENT. If you are an Entity, all Owners (whether direct or indirect) must sign a Franchise Owner Agreement, the current form of which is attached as ATTACHMENT "B".

ADVERTISING & MARKETING.

Brand and System Development Fund.

Administration. We established and administer a brand and system development fund to promote public awareness of our brand and to improve our System. We may use the fund to pay for any of the following in our sole discretion:

(i) developing, maintaining, administering, directing, preparing, or reviewing advertising and marketing materials, promotions and programs;

(ii) conducting and administering promotions, contests or giveaways;

(iii) improving public awareness of the Marks;

(iv) public and consumer relations and publicity;

(v) brand development;

(vi) sponsorships;

(vii) charitable and non-profit donations and events;

(viii) research and development of technology, products and services;

(ix) website development and search engine optimization;

(x) development and implementation of quality control programs, including the use of mystery shoppers or customer satisfaction surveys;

(xi) conducting market research;

(xii) changes and improvements to the System;

(xiii) the fees and expenses of any advertising agency we engage to assist in producing or conducting advertising or marketing efforts;

(xiv) collecting and accounting for contributions to the fund;

(xv) preparing and distributing financial accountings of the fund;

(xvi) any other programs or activities we deem necessary or appropriate to promote or improve the System; and

(xvii) direct or indirect labor, administrative, overhead and other expenses incurred by us and/or our affiliates in relation to any of these activities, including salary, benefits and other compensation of any of our (and any of our affiliate's) officers, directors, employees or independent contractors based upon time spent working on any brand fund matters described above.

We have sole discretion in determining the content, concepts, materials, media, endorsements, frequency, placement, location and all other matters pertaining to any of the foregoing activities. Any surplus of monies in the fund may be invested and we may lend money to the fund if there is a deficit. The fund is not a trust and we have no fiduciary obligations to you with respect to our administration of the fund. A financial accounting of the operations of the fund, including deposits into and disbursements from the fund, will be prepared annually and made available to you upon request. In terms of marketing activities paid for by the fund, we do not ensure that these expenditures in or affecting any geographic area are proportionate or equivalent to the fund contributions by franchisees operating in that geographic area or that any franchisee benefits directly or in proportion to their fund contributions. Once established, we reserve the right to discontinue the fund at any time in our sole discretion upon at least 30 days' prior notice.

Contributions. On each royalty payment due date, you must pay us a brand and system development fund fee in the amount we specify from time to time (not to exceed 2% of your Gross Sales). We will deposit into the fund all: (i) fund contributions paid by you and other franchisees; and (ii) fines paid by you and other franchisees after we establish the fund.

Marketing Assistance From Us. We will provide you with our recommended marketing plan for your Business. The marketing plan may be included in the Manual. Before

~~opening, we will provide you with an initial supply of marketing materials at no additional charge. We may create and make available to you additional advertising and other marketing materials for your purchase. We may use the brand and system development~~ fund to pay for ~~the creation and distribution of these materials, in which case there will be no additional charge. We may make these materials available over the Internet, in which case you must arrange for printing the materials and paying all printing costs. Alternatively, we may enter into relationships with third-party suppliers who will create the advertising or marketing materials for your purchase. We will provide reasonable marketing consulting, guidance and support throughout the Term on an as-needed basis.~~ System Standards for the service vehicle, service tools and equipment and other equipment and supplies necessary to establish and operate a Softroc Business. Within 150 days after the Effective Date, you must have: (a) obtained and provided us copies of all certifications, permits and licenses required to operate your Franchised Business, including those specified as mandatory in the Confidential Operations Manual; (b) established the Franchised Business Office; (c) acquired and set-up all required office equipment including broadband or high-speed internet service; (d) acquired and set up at least one telephone number dedicated to your Franchised Business; (e) acquired a service vehicle meeting our System Standards, and have it wrapped and lettered it in accordance with our System Standards; (f) acquired the service tools, equipment, and initial inventory required for the operation of your Franchised Business; (g) if necessary, secure off-site storage space for tools and equipment; (h) furnished us with copies of all insurance policies required by this Agreement, or by the lease, or such other evidence of insurance coverage and payment of premiums as we may request; (i) completed the Training Program to our satisfaction; (j) hired and trained the personnel necessary or required for the operation of your Franchised Business; and (k) paid in full all amounts due to us. You may not commence operations until you have met all of the conditions above and our System Standards, and you receive notice from us that you are authorized to open.

17. INTELLECTUAL PROPERTY

18. Ownership

We and our affiliates are the sole and exclusive owners of the Marks and the System. Your use of the Marks and the System, and any goodwill created thereby, will inure to the benefit of us and our affiliates. You will not at any time acquire an ownership interest in the Marks or the System by virtue of any use and/or by virtue of this Agreement. You may not, at any time during the term of this Agreement or after its termination or expiration, contest the validity or ownership of any of the Marks or the System, or assist any other person in contesting the validity or ownership of any of the Marks or the System. Any unauthorized use of the Marks or the System by you or your Owners or affiliates is a breach of this Agreement and an infringement on the intellectual property rights of us and our affiliates. All provisions of this Agreement relating to the Marks and the System apply to any changes and/or additions to the Marks or the System that we authorize from time to time.

19. Limitations on Use

You are permitted to use the Marks and the System solely to conduct the Franchised Business in compliance with this Agreement. You may not use any trademarks, service marks or commercial

symbols other than the Marks to identify or operate your Franchised Business. You may not use any Mark or portion of any Mark as part of any Business Entity name. You may not use any Mark or the System in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized in writing by us. You must give such notices of trademark and service mark registrations as we specify and obtain such fictitious or assumed name registrations as may be required under applicable law to do business as a Softroc Business. You may not register or seek to register as a trademark or service mark, either with the United States Patent and Trademark Office or any state or foreign country, any of the Marks or a trademark or service mark that is confusingly similar to any Mark licensed to us. You must identify yourself as the independent owner of your Franchised Business in connection with all of your dealings with customers, employees, and the public, and in accordance with any System Standards established by us.

20. Notification of Infringements and Claims

You must immediately notify us of any apparent or threatened: (i) infringement of the Marks or any component of the System, (ii) challenge to your use of any of the Marks or any component of the System, and/or (iii) claim by any person of any rights in any of the Marks or any component of the System. You may not communicate with any person other than us and our counsel in connection with any such infringement, challenge, or claim; provided, you may communicate with your counsel at your expense. We have the right to take such action as we deem appropriate and the right to exclusively control any litigation or other proceeding arising out of any infringement, challenge, or claim or otherwise relating to any of the Marks and/or the System. You must execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of our counsel, are necessary or advisable to protect and maintain our interests in any such litigation or other proceeding or to otherwise protect and maintain our interest in the Marks and/or the System.

21. Indemnification for Use of Marks

We will reimburse you for all expenses reasonably incurred by you in any trademark or similar proceeding disputing your authorized use of any Mark, provided that you have complied with the provisions of Section 5.3 and have complied with this Agreement and our directions in responding to such proceeding. At our option, we or our designee may defend and control the defense of any proceeding arising directly from your use of any Mark and/or any component of the System. This indemnification will not include the expense to you of removing signage or discontinuance of the use of the Marks and/or any component of the System. This indemnification will not apply to litigation between us and you wherein your use of the Marks or System is disputed or challenged by us. This indemnification will not apply to any separate legal fees or costs incurred by you if you obtain independent counsel after we have appointed counsel to represent you and us.

22. Changes to the Marks and System

If we deem it necessary for you to modify or discontinue use of any of the Marks or components of the System, and/or use one or more additional or substitute trade names, trademarks, service marks or other commercial symbols to identify Softroc Businesses, you must comply with our directions promptly after notice to you by us. We will not be required to reimburse you for your expenses derived from update, addition, or modification to, or discontinuance of any Marks or any components of the

System or any loss of goodwill associated therewith or for any expenditures made by you to promote any modified or substitute Mark or modified System.

23. Online Activities

Except as approved by us in writing or specified in the Confidential Operations Manual, you may not develop, maintain, or authorize any website, domain name, email address, social media account, other online virtual, digital or electronic presence of any kind ("**Online Presence**") that displays any of the Marks, promotes or advertises your Franchised Business, links to any Online Presence maintained by us for the brand, or engage in any promotional or similar activities, whether directly or indirectly, and/or offer any products or services for sale on any Online Presence. If we approve the use of any such Online Presence, you will develop and maintain such Online Presence only in accordance with our guidelines, including guidelines for posting any messages or commentary on other third-party platforms, preparing and linking a privacy policy to such Online Presence, and other System Standards we may establish from time to time. At our request, you agree to grant us or our designees access to each such Online Presence, and to take whatever action (including signing assignment or other documents) we request to gain access, control, or ownership of such Online Presence.

24. COVENANTS

25. Confidential Information

In connection with your franchise under this Agreement, you and your Owners and personnel may from time to time be provided and/or have access to non-public information about the System and the operation of Softroc Businesses (the "**Confidential Information**"), including: (1) training programs and operations materials (including the Confidential Operations Manual); (2) the System Standards and methods and techniques for operating Softroc Businesses; (3) market research and strategies, customer service techniques, and other practices for generating and maintaining customers; (4) specifications for, suppliers of, and methods of ordering, products and services; (5) any software, technology, or Online Presences, which are proprietary to us or the System, including digital passwords and identifications and any source code of, and data and reports generated by the software or similar technology; (6) the operating results and financial performance of Softroc Businesses, including your Franchised Business; (7) customer and client lists, terms, job pricing and history, preferences, demographic information and related information; and (8) any other information designated as confidential or proprietary by us. Confidential Information does not include information, knowledge, or know-how, which is lawfully known to the public without violation of applicable law or an obligation to us or our affiliates.

All Confidential Information will be owned by us and our affiliates. You will not acquire any interest in the Confidential Information, other than the right to use it to develop and operate your Franchised Business in compliance with this Agreement. You acknowledge that the Confidential Information includes our trade secrets and other information that is proprietary to us and our affiliates, derives value from not being known to the public and our competitors, has been developed by us and our affiliates at significant cost and effort, and is critical to the competitive advantage of us and our affiliates and franchisees. You acknowledge that any unauthorized use or disclosure of the Confidential Information would be an unfair method of competition and will result in irreparable harm to us and our affiliates. You and your Owners therefore agree that during and after the term of this Agreement you

will, and you will cause each of your respective spouses, immediate family members, affiliates, and assigns to: (a) not use the Confidential Information for any purpose other than the development and operation of your Franchised Business in accordance with this Agreement; (b) keep confidential and not disclose the Confidential Information to any person other than those of your employees and representatives who need to know such Confidential Information for the purpose of assisting you in operating your Franchised Business in accordance with this Agreement (and you agree that you will be responsible for any violation of this requirement by any such representatives or employees); (c) not make unauthorized copies of any Confidential Information; (d) adopt and maintain reasonable procedures to prevent unauthorized use or disclosure of Confidential Information, including by establishing reasonable security and access measures, restricting its disclosure to Key Personnel, and/or by requiring persons who have access to the Confidential Information to execute a non-disclosure agreement on terms no less favorable than the terms applicable to Confidential Information under this Agreement; and (e) at our request, destroy or return any of the Confidential Information.

We are not making any representations or warranties, express or implied, with respect to the Confidential Information. We and our affiliates have no liability to you and your affiliates for any errors or omissions from the Confidential Information.

26. Additional Developments

All ideas, concepts, techniques or materials concerning any Softroc Business and/or the System or developed, in whole or in part, using Confidential Information, whether or not protectable intellectual property and whether created by or for you or your Owners or employees, shall be promptly disclosed to us and shall be deemed our sole and exclusive property and work made-for-hire for us, automatically and without compensation to you, your Owners, or any of your employees or representatives. We have the right to incorporate such items into the System. To the extent any item does not qualify as a "work made-for-hire" for us, you shall assign, and by this Agreement, do hereby assign to us, all right, title, and interest in that item. You shall sign any documents required by us to memorialize such assignment. You agree to take all actions to assist our efforts to obtain or maintain intellectual property rights in any item related to the System, whether developed by you or not.

27. Exclusive Relationship

You acknowledge that we granted you a franchise in consideration of your agreement to deal exclusively with us. You further acknowledge that we would be unable to protect the System and our Confidential Information against unauthorized use or disclosure if you or your Owners were involved in any manner in any Competitive Business (defined below). Therefore, you and your Owners each agree not to, and to cause each of your respective spouses, immediate family members, affiliates, and assigns not to, directly or indirectly: (i) own, maintain, or acquire any direct or indirect interest in or relationship with any Competitive Business, whether as record or beneficial owner, investor, employee, partner,

director, officer, representative, agent, lessor, lender, or otherwise; and/or (ii) advise, operate, or provide assistance or services of any kind or nature to any Competitive Business:

(a) during the term of this Agreement, in any location; and

(b) for a period of 2 years from and after the date of termination or expiration of this Agreement, in your Market Territory or any location that is within a 25-mile radius of your Market Territory.

"**Competitive Business**" means any business that offers or provides (or grants franchises or licenses to others to operate a business that offers or provides): (a) rubber surfacing and/or resurfacing solutions for residential and/or commercial applications; and/or (b) any other line of business, products, or services that are substantially similar to those offered by Softroc Businesses; provided, that the definition of Competitive Business will not include: (i) any business operated under a franchise agreement with us or our affiliates; or (ii) the ownership of less than 5% of the equity interest in a Competitive Business whose stock is publicly traded on a recognized United States stock exchange.

If any person fails to comply with these obligations after the termination or expiration of this Agreement, the 2-year restricted period for that person will commence on the date the person begins to comply, which may be the date a court order is entered enforcing this provision.

The foregoing covenants will apply to the transferor and its owners for a period of 2 years following the date of such transfer, with the force and effect as if this Agreement had been terminated for such parties as of such date.

You and your Owners acknowledge that you possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, our enforcing the covenants made in these covenants will not deprive any of you of your personal goodwill or ability to earn a living.

28. Covenants of Other Individuals

You agree that we will have the right to require certain of your Owners, Key Personnel, management-level employees and officers, and other representatives and owners of you that will have access to Confidential Information to sign certain covenants we designate, including those that are similar to those contained in this Section. You must ensure that we and our affiliates are named as third-party beneficiaries with the right to enforce covenants contained in such agreements. Upon our request, you must provide us with copies of all such executed nondisclosure and non-competition agreements. We may modify our decisions on which persons will be required to sign such covenants from time to time. You must notify us, upon request, of all employees, representatives, and other individuals to whom you have granted access to Confidential Information, and/or who are involved in the management and supervision of your Franchised Business.

29. Non-Interference

During and after the term of this Agreement, you and your Owners each agree not to, and to cause each of your respective your respective spouses, immediate family members, affiliates, and assigns not to, directly or indirectly interfere or attempt to interfere with our or our affiliates' relationships with any customers, franchisees, lenders, investors, suppliers, consultants, or other

business partners, and/or otherwise induce or attempt to induce any such persons to terminate, reduce or modify any relationship with us or our affiliates.

30. Non-Disparagement

During and after the term of this Agreement, you and your Owners each agree not to, and to cause each of your respective your respective spouses, immediate family members, affiliates, and assigns not to, directly or indirectly: (i) disparage or otherwise speak or write negatively of us, our affiliates, any of our or our affiliates' directors, officers, employees, or representatives, the "Softroc®" brand, the System, any Softroc Business, any business using the Marks, or any other brand concept operated or franchised by us or our affiliates; and/or (ii) take any other action which would subject any of the foregoing to ridicule, scandal, reproach, scorn, disrepute, or indignity, or which would negatively impact or injure the goodwill of the System and/or the Marks.

31. TRAINING AND ASSISTANCE

32. Initial Training

We will provide a training program on the material aspects of operating a Softroc Business (the "**Training Program**") to you (or if you are a Business Entity, your Owners) and up to three additional employees or representatives (one of which must be your Designated Owner or Designated Manager, as applicable under Section 11.4) (together, your "**Key Personnel**"). You must pay our then-current fee for the Training Program. You may invite additional employees to attend the Training Program if space allows; provided, that if we approve such requests, we may charge our an additional training fee, plus all expenses, for each additional individual attending the Training Program, and/or for any portion of the Training Program conducted more than one time to accommodate the schedules of your attendees.

We will determine the identity and composition of the trainer(s) conducting all portions of the Training Program in our discretion. We will provide the Training Program at the times and locations we determine, which may include conducting any portion of the Training Program virtually. We will also determine the length and content of the Training Program. We may vary the Training Program based on the experience and skill level of the individual(s) attending. Scheduling of the Training Program is based on your and our availability and the projected opening of your Franchised Business.

Your Key Personnel must complete the Training Program to our satisfaction before beginning to operate your Franchised Business. If any of your Key Personnel fail to satisfactorily complete the Training Program, then we reserve the right to require such person(s) to attend additional training at a time and location of our choice, and we will charge you our then-current training fee, plus all expenses, for such additional training. If you and your Key Personnel complete the Training Program to our satisfaction and have not expressly informed us at the end of the Training Program that they do not feel

sufficiently trained in the operation of your Franchised Business, then you and your Key Personnel will be deemed to have been trained sufficiently.

If you hire a new Designated Manager or your Designated Owner changes at any time, the new Designated Manager or Designated Owner must attend and successfully complete our then-current Training Program before providing services to your Franchised Business.

33. Personnel Training

You are solely responsible for training all of your employees, contractors, and other personnel that have not attended the Training Program, at your sole cost and expense. We may periodically require you to disclose to us the training curriculum and materials that you use to train your personnel, and/or set System Standards relating to the training that you offer, to ensure that all personnel receive appropriate training to conduct your Franchised Business in accordance with our System Standards. If we at any time during the term of this Agreement determine that any of your personnel are unable to satisfactorily supervise and fulfill their duties in accordance with our System Standards, we may require such persons to cease providing services at your Franchised Business until they complete additional training with you or with us, and if we provide any such training to such personnel, you must pay our then-current training fee, plus expenses, for such additional training we provide.

34. Additional Training

Subject to limitations on scheduling, availability and similar resources, we may provide you with advice from time to time regarding your Franchised Business. Our advice and guidance will be furnished in the formats we periodically designate, which may include updates to our Confidential Operations Manual, written bulletins and newsletters, via telephone or electronic meetings, and/or consultation at our offices. You understand and agree that any specific ongoing training or advice we provide does not create an obligation (whether by course of dealing or otherwise) to continue to provide such specific training or advice, all of which we may discontinue and modify from time to time.

You may request additional training for you, your Owners, or your personnel from time to time during the term of this Agreement. If we agree to provide you such additional training, we and you will jointly determine the duration of this additional training, and we reserve the right to charge you our then-current training fee for such additional training, plus expenses.

We may require you and your Key Personnel and/or certain other employees of your Franchised Business attend various training courses, trade shows, ongoing education programs, and/or webinars at the times and locations designated by us, which may be offered by us or our affiliates, vendors, or other designees of ours. In addition to these training courses, programs, and events, we may additionally require you and/or any of your Key Personnel to attend periodic meetings of franchise owners or managers. These meetings will be held at our discretion and at the locations we designate, and we reserve the right to charge meeting or conference fees for such events.

If we determine that you are not operating your Franchised Business in full compliance with this Agreement and/or the Confidential Operations Manual, we may require that your Key Personnel attend

additional training that is relevant to your operational deficiencies, and we reserve the right to charge you our then-current training fee for such additional training, plus expenses.

We may from time to time establish System Standards that will require you (or if you are a Business Entity, your Owners), your Designated Manager (if applicable), and/or other personnel of your Franchised Business to attend third-party training or certification courses or obtain certain technical certificates or licenses. You must comply and ensure that your personnel comply with all training and certification requirements that we establish from time to time.

35. Training Expenses

You agree to pay all travel and living expenses (including, wages, transportation, food, lodging, and workers' compensation insurance) that you and your Key Personnel or any other employee incurs during any and all meetings and/or training courses and programs. If we or our representatives travel to your area to conduct any training of any kind, you are also responsible for the travel and living expenses and out-of-pocket costs that we and such representatives incur to provide you and your personnel any training.

36. SYSTEM STANDARDS

37. System Standards

We have developed and will continue to develop as part of the System certain specifications, standards, operating procedures, and rules that we prescribe as mandatory for operating Softroc Businesses generally, or your Franchised Business specifically (as they be modified from time to time, the "**System Standards**"). You acknowledge and agree that operating and maintaining your Franchised Business according to System Standards is essential to preserve the goodwill of the Marks and all Softroc Businesses. You further acknowledge and agree that we have granted you the franchise under this Agreement in reliance on your commitment to strictly observe all System Standards when operating your Franchised Business. To that effect, you and your Owners each hereby agree to at all times strictly comply, and cause your Franchised Business and its personnel to strictly comply, with all System Standards that we adopt from time to time, including System Standards relating to: (i) the amount, types, quality and specifications of equipment, supplies and inventory; (ii) sales and marketing materials, techniques, special offers, campaigns and programs; (iii) the use and display of the Marks; (iv) participation in customer programs; (v) minimum criteria for employee qualifications, training, and staffing levels (though you have sole responsibility relating to hiring/firing, promotion, hours, compensation, benefits, discipline, and working conditions for your employees); (vi) customer service warranties, policies, programs, and quality control measures; (vii) product and service offerings and packages; (viii) days and hours of operation; (ix) invoicing practices, methods of accepting and accounting for customer payments, and use of payment services; (x) designated and approved suppliers and supply chain programs; (xi) bookkeeping, accounting, recordkeeping, and data processing and security practices; (xii) participation criteria and standards for servicing our National Account Clients; (xiii) insurance limits and coverage; and (xiv) such other aspects of operating a Softroc Business that we determine to be necessary or prudent to preserve or enhance the System, the Softroc® brand, and the goodwill of the Marks and the System.

38. Confidential Operations Manual

We will make information about the System Standards, and other suggestions and general guidance for operating a Softroc Business available to you during the term of this Agreement, which may include one or more manuals, bulletins, publications, newsletters, memoranda, videos, and other communications from us and our representatives, in printed, electronic, audio/video, or other form (collectively, the "**Confidential Operations Manual**"). We may modify the Confidential Operations Manual periodically, including changing System Standards. If there is a dispute over its contents, our master copy of the Confidential Operations Manual will control. You agree that the Confidential Operations Manual's contents are considered Confidential Information and that you will not disclose the Confidential Operations Manual to any person other than any employee who needs to know its contents to perform their duties. You may not at any time copy, duplicate, record, or otherwise reproduce any part of the Confidential Operations Manual without our approval. At our option, we may make some or all of the Confidential Operations Manual available through an Online Presence. If we do so, you agree to monitor and access that Online Presence for any updates to the Confidential Operations Manual. Any passwords or other digital identifications necessary to access the Confidential Operations Manual on any Online Presence will be deemed to be part of Confidential Information.

39. Modification to the System

You understand that the System will continue to evolve during the term of this Agreement and that the System Standards are subject to change. You agree to promptly make all upgrades and modifications to your Franchised Business during the term of this Agreement as may be required to ensure that your Franchised Business at all times complies with our then-current System Standards. You acknowledge and agree that you will be solely responsible for the costs associated with updating and maintaining your Franchised Business in compliance with System Standards during the entire term of this Agreements. Changes to the System and the System Standards may require you to incur additional costs or invest additional capital into your Franchised Business.

40. Variance

We have the right to vary our System Standards for any franchisee based on that particular franchisee's qualifications, the peculiarities of the particular site or circumstances, the demographics of the trade area, business potential, existing business practices or any other condition which we deem to be of importance to the successful operation of any particular Softroc Business. We are not required to disclose or grant to you a like or similar variance hereunder.

41. ADVERTISING AND PROMOTIONAL ACTIVITIES

41.1. ~~11.3.~~ Your ~~Marketing Activities~~Local Advertising

~~.~~

~~Generally. In addition to your required contribution to the brand and system development fund, you must spend, on a monthly basis, at least 2% of your Gross Sales on~~You are solely responsible for conducting all local advertising ~~to promote your Business. Any cooperative advertising fees you pay will be credited against your local marketing commitment described in this Section. We will measure your compliance with~~

this requirement on a rolling six-month basis, meaning that as long as your average monthly expenditure on local advertising over the six-month period equals or exceeds the minimum monthly amount we specify, you will be deemed in compliance even if your expenditure in any given month is less than the minimum monthly amount we specify. You must participate at your own expense in all advertising, promotional and marketing programs we require.

for your Franchised Business. You must advertise and market your Franchised Business in any advertising medium we determine, using forms of advertisement we approve. You must also list your Franchised Business with the online directories and subscriptions we periodically prescribe, and/or establish any other Online Presence we require. You must comply with all of our System Standards for your advertisingStandards and Requirements for Advertising. All advertisements and promotions you create or use must be completely factualadvertising materials that you use and any advertising activities that you conduct must be factually accurate, conform to the highest standards of ethical advertising, and comply with all federal, state and local laws. You must ensure your advertisements and promotional materials do not infringe upon the intellectual property rights of others. You must comply with any minimum advertised pricing policy we establish from time to time. You may not conduct any targeted marketing that is directed outside of your Territory. If you violate this prohibition, you must pay us $5,000 per incident as liquidated damages and not as a penalty. You agree that the foregoing amount represents a reasonable forecast of just compensation for the breach.

Approval of Advertising. Prior to use, weYou must approvesubmit to us, for our prior approval, all advertising and promotional materials we did not prepare or previously approve (including materials we prepared or approved and you modify). We will be deemed to have disapproved the materials if we fail to issue our approval within 20 days after receiptthat you wish to use to promote your Franchised Business and/or that display the Marks. You may not use any materials we disapprove (including materials we previously approved and later disapprove). advertising, promotional, or marketing materials that we have not approved. We may revoke our approval of any advertising, promotional, or marketing materials at any time. You must promptly cease using any advertising, promotional, or marketing materials disapproved by us.

We may require you to spend a minimum of up to 2% of Collected Gross Revenue each month on advertising, promotions, and public relations for your Franchised Business in your Market Territory ("**Local Advertising Expenditure**"). We will determine what type of expenditures that will count towards your Local Advertising Expenditure. Indirect costs you incur in managing your local advertising campaigns, such as salaries and benefits of employees administering the campaigns, will not be counted towards your Local Advertising Expenditure. Additionally, any costs you incur for advertising conducted at the Franchised Business Office and/or on service vehicle(s) , such as in-store signage or vehicle wraps, will not be counted towards your Local Advertising Expenditure. On our request, you agree to send us,

in the manner we prescribe, an accounting of your Local Advertising Expenditures during the preceding months.

We have the right from time to time to require you to pay part or all of the Local Advertising Expenditure to the Brand Fund, in addition to the Brand Fund Contribution, and/or to pay such amounts over to us or our designee to conduct marketing on your behalf. We may at any time, on one or more occasions, with at least 30 days' notice to you, change the proportion of the Local Advertising Expenditure that you must spend directly, versus contribute to the Brand Fund, versus pay to us or our designee.

~~Social Media. You may advertise and market your Business using social media, provided that:~~

~~(i) you only utilize social media platforms we approve;~~

~~(ii) you strictly comply with our social media policy;~~

~~(iii) you immediately remove any post we disapprove (even if the post complies with our social media policy); and~~

~~(iv) you utilize any supplier we designate for social media marketing services.~~

~~Internet and Websites. Without our prior approval, which we may withhold in our sole discretion, you may not:~~

~~(i) develop, host, create or otherwise maintain a website or other online or digital presence in connection with your Business, including any website bearing our Marks;~~

~~(ii) conduct digital or online advertising or marketing; or~~

~~(iii) engage in ecommerce.~~

~~If we grant our approval to maintain a website, you may do so provided that:~~

~~(i) you obtain our approval of: (a) the website's domain name (which we will own); (b) the website's design, layout and webpages; (c) all designs, artwork, graphics and images displayed on the website; (d) all content on the website (and all changes to the content); and (e) all uses and manner of display of our Marks;~~

~~(ii) your website conforms to all of our standards, specifications, policies, procedures and other requirements for websites, whether set forth in the Manual or otherwise;~~

~~(iii) your website does not include any material in which a third party has any direct or indirect ownership interest (including, without limitation, video clips, photographs, sound bites, copyrighted text, trademarks or service marks, or any other text or image in which a third party may claim intellectual property rights);~~

~~(iv) you establish and implement a privacy policy that complies with applicable law; and~~

~~(v) you include on your website, in the manner we require, all hyperlinks or other links~~

~~that we require.~~

~~You will be solely responsible for all costs associated with the development, hosting and maintenance of the website. However, we will be the exclusive owner of the website and all of its content. We will also be the exclusive owner of the website's domain name and associated URL.~~

~~**Advertising Cooperative.** We have the right, but not the obligation, to create one or more advertising cooperatives for the purpose of creating and/or purchasing advertising programs for the benefit of all franchisees operating within a particular region. We have the right to: (a) allocate any portion of the brand and system development fund contribution to the advertising cooperative; (b) determine the composition of all geographic territories and market areas for each advertising cooperative; and (c) require that you participate in any advertising cooperative we establish. We may establish an advertising council to self-administer the advertising cooperative. You must participate in the cooperative according to the council's rules and procedures and abide by the council's decisions. Alternatively, we may administer the advertising cooperative ourselves. You must pay the monthly cooperative advertising fee established by us or the council, as applicable, which will be due on each royalty payment due date. The cooperative advertising fee shall not exceed 2% of Gross Sales. Upon the majority vote of all franchisees within the advertising cooperative, the amount of the cooperative advertising fee may be adjusted (or temporarily suspended). If we or an affiliate of ours operate a majority of the Softroc Businesses within the advertising cooperative, we will increase the cooperative advertising fee only with the consent of a majority of all third-party franchisees within the cooperative. We will collect all cooperative advertising fees and pay them to the applicable advertising cooperative unless we administer the advertising cooperative ourselves. We reserve the right to form, change, merge or dissolve advertising cooperatives in our discretion.~~

~~**OPERATING STANDARDS.**~~

~~**Generally**. You agree to operate your Business: (a) in a manner that will promote the goodwill of the Marks; and (b) in full compliance with our standards and all other terms of this Agreement and the Manual. You agree to use best efforts to promote and increase sales and recognition of services offered by your Business.~~

41.2. ~~12.2.~~ Brand ~~Standards Manual~~Fund

~~. You agree to establish and operate your Business in accordance with the Manual. The Manual may contain, among other things:~~

~~(i) a description of the authorized goods and services you may sell;~~

We have established, and we administer, a marketing, advertising and promotion fund to facilitate advertising and marketing efforts for the Softroc® brand, the franchise system, any product or services offered by Softroc Businesses, and/or Softroc Businesses ("**Brand Fund**"). You hereby agree to contribute monthly to the Brand Fund an amount specified by us from time to time ("**Brand Fund Contribution**") up to 2% of Collected Gross Revenue. The Brand Fund Contribution must be paid by you in the manner we designate from time to time, which may include collecting amounts in the same

manner as the Royalty Fees. We will notify you at least 30 days before changing Brand Fund Contribution requirements.

We have exclusive control over all programs and services administered by the Brand Fund, with sole control over creative concepts, materials and media used in such programs, and the placement and allocation thereof. We do not guarantee that any particular franchisee will benefit directly from expenditures by the Brand Fund, or that any such expenditures will be in proportion to any franchisee's contributions. The program(s) may be local, regional or national in scope. We do not guarantee the results of any Brand Fund programs, services, or expenditures in any manner. The Brand Fund may pay for preparing and producing video, audio, and written materials and electronic media; developing, implementing, and maintaining any Online Presences, software, applications or other technology solutions; administering advertising, marketing, and promotional campaigns and programs; using public relations and marketing agencies and other advisors to provide assistance; conducting customer surveys and programs; developing market research and other marketing strategy or implementation activities; and/or any other expenditures that are directly or indirectly related to promoting the Marks, the System, the Softroc® brand, and/or Softroc Businesses. We may also use the Brand Fund to pay for the Brand Fund's other administrative and overhead costs, including the reasonable salaries and benefits of personnel who manage and administer the Brand Fund, and any other expenses that we or our affiliates incur that are related to administering or directing the Brand Fund and its programs. We may modify Brand Fund programs, services, or expenditures at any time in our sole discretion.

We will keep a record of the Brand Fund separately from our other funds, though we are not required to hold such funds in a separate account. The Brand Fund may spend in any fiscal year more or less than the total Brand Fund Contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We have the right, but no obligation, to use collection agents and institute legal proceedings to collect Brand Fund Contributions at the Brand Fund's expense. We may also forgive, waive, settle, and compromise all claims by or against the Brand Fund in our sole discretion.

We may at any time, on 30 days' prior written notice to you, reduce or suspend Brand Fund Contributions and/or operations of the Brand Fund for one or more periods of any length and terminate (and, if terminated, reinstate) the Brand Fund and associated Brand Fund Contributions. If we terminate the Brand Fund, we will first pay all outstanding invoices and debts incurred by the Brand Fund, and then we will return the remaining balance to franchisees in proportion to their Brand Fund Contributions in the 12 months prior to such termination.

We may elect to maintain multiple Brand Funds or the administration thereof, whether determined by geographic region, country, or otherwise, or consolidate or merge multiple Brand Funds or the administration thereof, in each case provided that each such Brand Fund will otherwise remain subject to the terms of this Agreement.

An accounting of the operation of the Brand Fund will be prepared annually and will be available to you upon request. We retain the right to have the Brand Fund reviewed or audited and reported on, at the expense of the Brand Fund, by an independent certified public accountant selected by us. We may

also administer the Brand Fund through a separate Business Entity whenever we deem appropriate, and such Business Entity will have all of the rights and duties specified in this Section.

You acknowledge that the Brand Fund is not a trust and we assume no fiduciary duty in administering the Brand Fund.

41.3. Franchise System Websites and Data~~required specifications, operating procedures and quality standards;~~

We may establish, acquire, or host any Online Presence to advertise, market, and promote Softroc Businesses and/or the Softroc® brand, the products and services that they offer and sell, and/or a franchise opportunity (a "**Franchise System Website**"). We may (but are not required to) provide information on any Franchise System Website about your Franchised Business. You must provide us with the information and materials we request to develop, update, and modify the description of your Franchised Business on any Franchise System Website. You must notify us whenever any information on any Franchise System Website is not accurate. We will own all intellectual property and other rights in all Franchise System Websites, including as it relates to your Franchised Business, and all data, content, information and materials derived from any Franchise System Websites (including account information and preferences, login credentials, analytic data and reports, user submitted content and data, and all messages and other information or materials directed to or from messaging platforms associated with any Franchise System Website). We have the unrestricted right to access and use all Franchise System Websites and all information derived from such Franchise System Websites without limitation, including the right to download, read, store, copy, delete, modify, and/or host it, in any manner of our choosing. We may temporarily or permanently remove references to your Franchised Business from any or all Franchise System Websites if you or your Owners or affiliates are in default of any obligation under this Agreement or our System Standards, and/or upon the expiration or termination of this Agreement. We reserve the right to require you to obtain from us and use an email address associated with our registered domain name. If we require you to obtain and use such an email address, you must do so according to our then-current System Standards. You acknowledge and agree that we will have unrestricted access to all such email accounts, and all document, data, materials, and messages shared from or by such accounts.

42. Contact Information

You agree that, as between us and you, we reserve the right to all telephone numbers, Online Presences, and/or any other type of contact information or directory listing for your Franchised Business or that you use in the operation or promotion of your Franchised Business (collectively, the "**Contact Information**"). The Contact Information may be used only for your Franchised Business in accordance with this Agreement and our System Standards and for no other purpose. We reserve the right to notify any telephone company, listing agencies, website hosting company, domain registrar, social network, and any other third-party owning or controlling any Contact Information, if any information relating to your Franchised Business is inaccurate or violates our System Standards, and request that they modify such Contact Information, and/or remove such Contact Information until it can be corrected.

(iv) specifications for your service vehicle;

(v) policies and procedures pertaining to marketing and advertising;

(vi) policies and procedures pertaining to gift card programs;

(vii) policies relating to data ownership, protection, sharing and use; and

(viii) a list of (a) the goods and services (or specifications for goods and services) you must purchase to develop and operate your Business and (b) any designated or approved suppliers for these goods or services.

The Manual is designed to establish and protect our brand standards and the uniformity and quality of the goods and services offered by our franchisees. We can modify the Manual at any time. The modifications will become binding at the time we notify you of the modification (subject to any "grace period" we provide to implement the change). All mandatory provisions contained in the Manual (whether they are included now or in the future) are binding on you.

Authorized Goods and Services. You agree to offer all goods and services we require from time to time in our commercially reasonable discretion. You may not offer any other goods or services without our prior written permission. You may provide Softroc Services for both residential and commercial applications. You may only sell Softroc Services at retail. You may not sell Softroc Product at wholesale (i.e., to other dealers, distributors, franchisees, etc.). You may not use your Business or permit your Business to be used for any purpose other than offering the goods and services we authorize. We may, without obligation to do so, add, modify or delete authorized goods and services, and you must do the same upon notice from us. Our addition, modification or deletion of one or more goods or services shall not constitute a termination of this Agreement.

Warranty. You must offer your customers any warranty required by the Manual. You are currently required to offer: (a) a Product Warranty, issued by the manufacturer, consisting of (i) a 10-year warranty for standard residential applications or (ii) a five (5) year warranty for commercial applications and residential applications involving heavy traffic; and (b) a one (1) year Installation Warranty. You must honor all warranties issued to your customers and complete all Installation Warranty work during the Term in accordance with the terms of the applicable Installation Warranty. If you fail to honor an Installation Warranty issued by you, we may complete the work, or designate another Softroc franchisee or dealer to complete the work, and we may charge you the then-current standard rate charged by us, the franchisee or dealer, as applicable, to complete the work, which amount shall be due immediately upon demand. In addition to our rights set forth in the preceding sentence, we may pursue any other remedies available to us resulting from your breach of this Agreement for failure to honor an Installation Warranty. We have no obligation to honor any Installation Warranty issued by you. After the expiration or termination of this Agreement, if we choose to perform, or appoint another Softroc franchisee or dealer to perform, any warranty work under an Installation Warranty issued by you, you agree to indemnify and reimburse us for all amounts we incur in

~~connection with the performance of such warranty work (including payment of our then-current standard rate for any work performed us or any amount we pay to another Softroc franchisee or dealer for any work performed by such franchisee or dealer).~~

~~**Pricing**. We will provide our suggested retail pricing upon request. To the extent permitted by applicable law, we may set maximum or minimum prices on the goods and services you offer.~~

~~**Customer Payments**. You must, at your expense, lease or purchase the necessary equipment and/or software and have arrangements in place with Visa, MasterCard, American Express and all other credit card issuers we designate, in order for you to be able to accept such methods of payment from customers. You must accept debit cards, credit cards, stored value cards, and other non-cash systems (including, for example, APPLE PAY and/or GOOGLE WALLET) that we specify. You must acquire and install all necessary hardware and/or software used in connection with these non-cash systems.~~

43.1. ~~12.7. Suppliers~~Books and ~~Purchasing~~Records

~~. You must purchase or lease all products, supplies, equipment, services and other items specified in the Manual from time to time. If required by the Manual, you must purchase certain goods and services only from suppliers designated or approved by us (which may include, or be limited exclusively to, us or our affiliate). Our right to specify the suppliers you may use is necessary so we can control the uniformity and quality of goods and services used, sold or distributed in connection with the development and ongoing operation of Softroc Businesses, maintain the confidentiality of our trade secrets, obtain discounted prices for our franchisees if we choose to do so, and protect the reputation and goodwill associated with the System and the Marks. If we receive rebates or other financial consideration from these suppliers based upon franchisee purchases, we have no obligation to pass these amounts on to you or to use them for your benefit. If you want us to approve a supplier you propose, you must send us a written notice specifying the supplier's name and qualifications and provide any additional information we request. We will approve or reject your request within 30 days after we receive your notice and all additional information (and samples) we require. We shall be deemed to have rejected your request if we fail to issue our approval within the 30-day period. You must reimburse us for all costs and expenses we incur in reviewing a proposed supplier within 10 days after invoicing. We may refuse to consider alternative suppliers for certain items you must purchase (such as your inventory of Softroc Product).~~

~~**Equipment Maintenance and Changes**.~~ You must maintain ~~your equipment in good condition and promptly replace or repair any equipment that is damaged, worn-out or obsolete. We may require that you change your equipment, which may require you to make additional investments. Our ability to require franchisees to make significant changes to their equipment is critical to our ability to administer and change the System and you agree to comply with any such required change within the time period we reasonably specify.~~full, complete and accurate books, records and accounts in accordance with the accounting and record-keeping systems prescribed by us. You must retain all books and records related to your Franchised Business during the term of this Agreement, and for five years thereafter, including purchase orders, invoices, payroll records, sales tax records, state and federal tax returns, bank statements, cancelled checks, deposit receipts, cash receipts and

disbursement journals, general ledgers, and any other financial records designated by us or required by law.

44. Financial Statements and Reports

You also agree to deliver us in the manner and format that we prescribe from time to time: (i) no later than the date that the Royalty Fee is due each month a signed and verified statement of Collected Gross Revenue for the preceding month; (ii) within 12 days after the end of each calendar month, a balance sheet as of the preceding month-end and income statement for the preceding month and year-to-date; (iii) within 90 days after the end of each calendar year, a balance sheet as of the preceding year-end and income statement for the preceding year; (iv) within the time limits specified by us from time to time, such other periodic operating statements, financial statements, tax returns, and other information we request regarding you and your Franchised Business. We may establish System Standards for all reports and financial statements, which may include requiring that financial statements be prepared in accordance with GAAP, that such financial statements be reviewed or audited by a certified public accountant, and/or that such financial statements be generated using software, applications, or integrations we specify. We have the right to disclose any financial and operational information relating to your Franchised Business to third parties at our discretion, including current or prospective lenders, investors, and other business partners. We may periodically change the intervals or due dates for reports described above, provided we provide you no less than 30 days' notice prior to any such change.

44.1. ~~12.9.~~ Technology Systems~~.~~

~~(a) Generally.~~ You must acquire and ~~utilize all information and communication technology~~use all hardware, software, and IT systems that we specify from time to time, including~~, without limitation,~~ computer, point-of-sale systems, ~~point-of-sale system~~financial software, telecommunications ~~systems~~, security ~~systems~~ and similar systems, together with the associated hardware, software ~~(including cloud-based software)~~, applications, integrations, and related equipment~~, software applications, mobile apps, and third-party~~ and services ~~relating to the establishment, use, maintenance, monitoring, security or improvement of these systems~~ (collectively ~~referred to as~~ the "**Technology Systems**"). We may establish System Standards for the Technology Systems ~~may relate to matters such as~~and/or require the use of designated Technology Systems for any purpose associated with your Franchised Business, including purchasing, estimating, pricing, scheduling, accounting, order entry, inventory control, security, data management, information storage, retrieval and transmission, customer information, customer ~~loyalty~~programs, marketing, communications, ~~copying, printing and scanning,~~ or any other business purpose ~~that we deem appropriate~~. We may require that you, at your expense, acquire new or substitute Technology Systems, and/or replace, upgrade or update existing Technology Systems, upon reasonable prior notice.

~~(b) Use and Access.~~ You must ~~utilize your Technology Systems in accordance with the Manual. You may not load or permit any unauthorized programs or games on your Technology Systems. You must ensure that your employees are adequately trained in the use of the Technology Systems. You agree to~~ take all steps necessary to enable us to have independent and unlimited access to the ~~operational~~ data collected through ~~your~~the Technology Systems, including information regarding your ~~Gross Sales for purposes of calculating fees owed. Upon our request, you agree to provide us with the~~Collected Gross Revenue, relating to customers and jobs completed, and any other information relating to your Franchised Business. You must

provide us, upon request, with all user IDs and passwords for your Technology Systems, including upon termination or expiration of this Agreement.

~~(c) Disruptions.~~ You are solely responsible for protecting the Technology Systems against computer viruses, bugs, power disruptions, ~~communication line~~ disruptions, internet access failures, internet content failures, ~~date-related~~data-related problems, and attacks by hackers and other unauthorized intruders. Upon our request, you must obtain and maintain cyber insurance and business interruption insurance for technology disruptions.

You must implement all administrative, physical and technical safeguards necessary to protect any information that can be used to identify an individual, including names, addresses, telephone numbers, email addresses, employee identification numbers, signatures, passwords, financial information, credit card information, biometric or health data, government-issued identification numbers and credit report information in accordance with applicable law and industry best practices, including, where required, obtaining necessary consents and making required disclosures. It is entirely your responsibility (even if we provide you any assistance or guidance) to confirm that the safeguards you use to protect such information comply with all applicable laws and industry best practices related to the collection, access, use, storage, disposal and disclosure. If you become aware of a suspected or actual breach of security or unauthorized access involving any such information, you will notify us immediately and specify the extent to which such information was compromised or disclosed. You also agree to follow our instructions regarding curative actions and public statements relating to the breach.

You agree to comply with our website privacy policy, as it may be amended. You further agree to comply with any requests to return or delete customer's personal information, whether requested by us or directly by the customer, as required by applicable data sharing and privacy laws.

~~(d) Fees and Costs.~~ You are responsible for all fees, costs and expenses associated with acquiring, licensing, utilizing, updating and upgrading the Technology Systems. Certain components of the Technology Systems must be purchased or licensed from ~~third-party suppliers. We and/or our affiliate may develop proprietary software, technology or other components of the Technology Systems that will become part of our System. If this occurs: (i) you agree to pay us (or our affiliate) commercially reasonable licensing, support and maintenance fees; and (ii) upon our request, you agree to enter into a license agreement with us (or our affiliate) in a form that we prescribe governing your use of the proprietary software, technology or other component of the Technology Systems~~designated or approved third party suppliers, which may be us or our affiliates. We also reserve the right to enter into master agreements with third-party suppliers relating to any components of the Technology Systems and then charge you for all amounts that we pay to these suppliers based ~~on~~upon your use of the software, technology, equipment, or services provided by the suppliers. ~~The "technology fee" includes all amounts you pay us and/or our affiliates relating to the Technology Systems, including amounts paid for proprietary items and amounts we collect from you and remit to third-party suppliers based on your use of their systems, software, technology or services. The amount of the technology fee may change based on changes to the Technology Systems or the prices charged by third-party suppliers with whom we enter into master agreements. The technology fee does not include any amounts that you pay directly to third-party suppliers for any component of the Technology Systems. The technology~~

~~fee is due 10 days after invoicing or as otherwise specified by us from time to time. Our current technology fee will be listed in the Manual.~~

~~**Gift Card Program**. We may require that you participate in a gift card or other customer loyalty program in accordance with our policies and procedures. In order to participate, you may be required to purchase and utilize additional equipment, software and/or Apps and pay fees relating to the use of that equipment, software and/or Apps. If we establish a gift card program, we have the right to determine how proceeds from the sale of gift cards will be divided or otherwise accounted for, and we reserve the right to retain the amount of any unredeemed gift cards. You must comply with all policies and procedures we specify from time to time relating to customers who purchase a gift card from one franchisee and redeem the gift card for goods or services from another franchisee. We may implement new software and/or Apps to monitor sales and allocate payments to the Softroc Business where goods or services are redeemed (either in whole or on a percentage basis), in which case we may require that proceeds from gift card sales be deposited into a trust account we control. You must comply with all policies and procedures we specify and we may change these policies and procedures at any time.~~

~~**Hours of Operation**. Your Business must be open a minimum of eight (8) hours per day, five (5) days a week. You must establish specific hours of operation and submit them to us for approval.~~

~~**Customer Complaints**. If you receive a customer complaint, you must follow the complaint resolution process we specify to protect the goodwill associated with the Marks.~~

~~**Failure to Comply with Standards**. You acknowledge the importance of every one of our standards and operating procedures to the reputation and integrity of the System and the goodwill associated with the Marks. If we notify you of a failure to comply with our standards or operating procedures (including, without limitation, failure to submit required reports in a timely manner) and you fail to correct the non-compliance within the period of time we require, then, in addition to any other remedies available to us under this Agreement, we may impose a fine of up to $500 per occurrence. We may impose an additional fine for every 48 hours that the same non-compliance issue remains uncured following our imposition of the initial fine.~~

45. Right to Audit

We or our designee have the right, with or without notice, to examine, copy and audit your books and records, accounting reports, client invoices, job reports, tax returns, and other business records and information. We also may demand access to books and records of any business operated any of your Owners, Designated Manager, and/or any affiliate of the foregoing, to the extent needed to ensure that you are complying with this Agreement, including non-competition covenants and the restrictions on soliciting jobs outside of your Market Territory, requirements for offering TDC Services, and restrictions on providing other services to customers of your Franchised Business. If any audit should reveal that any payments to us have been underpaid, then you must immediately pay to us the amount of the underpayment plus applicable late fees and interest. If the audit or any other inspection should reveal that you have not spent the required Local Advertising Expenditure, or if the inspection discloses an underpayment of 3% or more of any amount due to us for any period covered

by the audit, then you must also reimburse us for any and all costs and expenses connected with the audit (including travel expenses and reasonable accounting and attorneys' fees). If any audit reveals that you and/or you or your Owners are in breach of any terms of this Agreement, then we may also require you to reimburse our costs for conducting the audit (including accounting and attorneys' fees). The foregoing remedies are in addition to any other remedies we may have. At our request, you agree to authorize and direct any third parties, including accounting and legal professionals, to release to us any and all books and records contemplated by this Section.

46. OPERATION OF YOUR FRANCHISED BUSINESS

47. Authorized Products, Services and Suppliers

You must provide or offer for sale or use at your Franchised Business all of the services, products, supplies, equipment and other items that we from time to time designate. You may not offer or provide any other services, products, supplies, equipment, and other items as part of your Franchised Business without our express approval. You may not offer or sell any products or services from your Franchised Business at wholesale, resale, or other alternative distribution channels, or to dealers, or distributors, or franchisees, without our prior written approval.

All products, supplies, equipment, and other items provided by your Franchised Business must comply in all respects with our System Standards. We are under no obligation to authorize every Softroc Business to offer the same services, products, supplies, equipment, and other items. We may condition our approval for you to offer any services, products, supplies, equipment and other items on our then-current criteria, including your compliance with this Agreement.

You agree to obtain and use the equipment, supplies, inventory, and other products, assets, and services we designate from time to time as meeting our System Standards, including your Technology Systems, service vehicles, and any other equipment, supplies, inventory, signage, third-party services, and signs and other products and services that that we approve for Softroc Businesses. You agree not to use any other equipment, supplies, inventory, and other products, assets, and services that do not meet our System Standards without our express approval. We may require that you purchase any products or services only from a supplier designed or approved by us, and/or that satisfy our System Standards (which may be a third-party vendor or supplier, or may be us or our affiliate).

If you wish to use any products, services, or suppliers that we have not approved (for products and services that require our approval), you must first send us sufficient information, specifications and samples for us to determine whether the service, product, or supplier complies with our System Standards. We are not required to consider alternative suppliers and we may refuse to consider such requests for any reason. You must bear all expenses incurred by us in connection with determining whether we will approve an item, service or supplier. Approval of a supplier may be conditioned on the supplier's ability to provide a sufficient quantity of product; quality of products or services at competitive prices; production and delivery capability; and dependability and general reputation. Nothing in this Section will be construed to require us to approve any particular supplier, or to require us to make available to prospective suppliers, standards and specifications that we deem confidential. We have the right to review from time to time our approval of any products, services, or suppliers. We may revoke

our approval of any products, services, or suppliers at any time. You must promptly cease using, selling or providing any products, services, or suppliers disapproved by us.

You acknowledge and agrees that we and/or our affiliates may derive compensation or other benefits based on your purchases or leases from designated or approved suppliers, and that we have the right to retain such compensation or benefits in consideration of the valuable services provided by us and/or our affiliate. You shall have no interest in or claim to such compensation or benefit.

48. TDC Licensed Services

We may from time to time license qualified franchisees the right to offer certain products or services under the "The Driveway Company®" name and brand ("**TDC Services**"). If you wish to offer any TDC Services from your Franchised Business, you must execute our then-current TDC Services Addendum, in form and substance designated by us. Neither you nor any of your affiliates may offer any TDC Services from your Franchised Business without approval by us and execution of the designated TDC Services Addendum. We may establish criteria or qualifications for franchisees that wish to offer TDC Services, including different service standards, different equipment and inventory, insurance requirements, or other conditions we establish. If we offer you the right to offer TDC Services, you must provide the TDC Services in accordance with all of our System Standards for such TDC Services, plus the terms, fees, and conditions of the TDC Services Addendum.

49. Condition of your Franchised Business

You shall maintain the service tools and equipment, service vehicles, signage and other components of your Franchised Business to meet the highest standards of professionalism, cleanliness, sanitation, safety, and courteous service. You must repair or replace all products, equipment, inventory, supplies and other assets as necessary to comply with our health and safety standards and specifications and any applicable laws or regulations. The expense of such maintenance shall be borne by you.

49.1. ~~13. FEES~~Management

Subject to the terms and conditions of this Agreement, you (or if you are a Business Entity, your Designated Owner) will be solely responsible for the management, direction and control of your Franchised Business. If you (or if you are a Business Entity, your Designated Owner) do not wish to supervise the day-to-day operations of your Franchised Business, then you may request that we approve an alternative person to supervise the day-to-day affairs of your Franchised Business (your "**Designated Manager**"). We many establish conditions for approving any such Designated Manager or Designated Owner, as applicable, which may include the completion of training, confirmation that such individual will have no competitive businesses activities, and/or execution of a non-disclosure agreement or other covenants we require. You (or if you are a Business Entity, your Designated Owner) or your Designated Manager, as applicable, must supervise the management and day-to-day operations of your Franchised Business on a full-time basis and continuously exert best efforts to promote and enhance your Franchised Business and the goodwill associated with the Marks.

~~**Initial Franchise Fee**. You agree to pay us a $59,900 initial franchise fee in one lump sum at the time you sign this Agreement. The initial franchise fee is fully earned and non-refundable once this Agreement has been signed.~~

Royalty Fee. On the fifth (5th) day of each month, you agree to pay us a royalty fee equal to the greater of: (a) the minimum monthly royalty fee; or (b) the sum of 7% of the initial $100,000 in monthly Gross Sales plus 5% of any monthly Gross Sales in excess of $100,000. The "minimum monthly royalty fee" is: (a) $0 for the initial six (6) full and/or partial months after opening; (b) $250 per month for the seventh (7th) month through the 12th month after opening; and (c) $500 per month for the remainder of Term.

Other Fees and Payments. You agree to pay all other fees, expense reimbursements and other amounts specified in this Agreement in a timely manner as if fully set forth in this Section 13. You also agree to promptly pay us an amount equal to all taxes levied or assessed against us based upon goods or services that you sell or based upon goods or services that we furnish to you (other than income taxes that we pay based on amounts that you pay us under this Agreement).

Late Fee. All fees imposed under this Agreement are due on or before 5:00 PM CST on the applicable due date (unless the due date is a weekend or holiday, in which case the fee is due on or before 5:00 PM CST on the business day before). If any sums due under this Agreement have not been received by us when due (or there are insufficient funds in your Account to cover any sums owed to us when due) then, in addition to those sums, you must pay us default interest on the amounts past due at the rate equal to the lesser of 18% per annum (pro-rated on a daily basis), or the highest rate permitted by applicable law. If no due date is specified, interest begins to run 10 days after we bill you. We will not impose a late fee for any amounts paid pursuant to Section 13.5 if, but only to the extent that, sufficient funds were available in your Account to be applied towards the payments at the time the payments became due. However, we may impose a late fee for any amounts we are unable to reasonably determine due to your failure to furnish us with a report required by Section 15.3 within the required period of time or record sales in a timely manner, in which case we may assess a late fee on the entire amount due. This Section 13.4 shall not constitute our agreement to accept payments after their due date or to extend credit to you.

Method of Payment. Before opening you must send us a completed and fully executed ACH Agreement. We will electronically debit the banking account that you designate (the "Account") for all amounts owed to us and our affiliates (other than the initial franchise fee) on the applicable due date. You must sign any other documents required by us or your bank to enable us to debit your Account for amounts owed. You must deposit all revenues that you generate into the Account no later than 10 days after receipt, including checks, cash and credit card receipts. You must ensure sufficient funds are available for withdrawal before each payment due date. If there are insufficient funds in your Account, any excess amounts you owe will be payable upon demand, together with any late charge imposed pursuant to Section 13.4. We may also impose a $50 NSF fee for each instance where either (a) there are insufficient funds in your Account to cover amounts owed or (b) a check you issue to us is returned due to insufficient funds.

BRAND PROTECTION COVENANTS.

Reason for Covenants. The Intellectual Property and the training and assistance we provide would not be acquired except through implementation of this Agreement. Unfair competition by you, the Owners or persons associated with you or the Owners (including

family members) could seriously jeopardize the entire franchise system because you and the Owners have received an advantage through knowledge of our day-to-day operations and Know-how related to the System. Accordingly, you and the Owners agree to comply with the covenants described in this Section to protect the Intellectual Property and our franchise system.

Our Know-how. You and the Owners agree to:

(i) refrain from using the Know-how in any business or capacity other than the operation of your Business pursuant to this Agreement;

(ii) maintain the confidentiality of the Know-how at all times;

(iii) take all reasonable steps we require to prevent unauthorized use or disclosure of Know-how;

(iv) refrain from making unauthorized copies of documents containing any Know-how; and

(v) stop using the Know-how immediately upon the expiration, termination or Transfer of this Agreement (and any Owner who ceases to be an Owner before the expiration, termination or Transfer of this Agreement must stop using the Know-how immediately at the time he or she ceases to be an Owner).

Unfair Competition During Term. You and your Owners agree not to unfairly compete with us during the Term by engaging in any of the following activities ("Prohibited Activities"): (a) owning, operating or having any other interest (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent or in any similar capacity) in any Competitive Business, other than owning an interest of five percent (5%) or less in a publicly traded company that is a Competitive Business; (b) diverting or attempting to divert any business from us (or one of our affiliates or franchisees); or (c) inducing any customer of ours (or of one of our affiliates or franchisees) to transfer their business to a competitor.

Unfair Competition After Term. You and your Owners agree not to engage in any Prohibited Activities during the Post-Term Restricted Period, other than having an interest in a Competitive Business that is not located within, and does not provide competitive goods or services with respect to properties located within, the Restricted Territory. If you or an Owner engages in a Prohibited Activity during the Post-Term Restricted Period (other than having an interest in a Competitive Business permitted by this Section), then the Post-Term Restricted Period applicable to you or the non-compliant Owner, as applicable, shall be extended by the period of time during which you or the non-compliant Owner, as applicable, engaged in the Prohibited Activity.

Family Members. The Owners acknowledge they could circumvent the purpose of Section 14 by disclosing Know-how to an immediate family member (i.e., spouse, parent, sibling, child or grandchild). The Owners also acknowledge it would be difficult for us to prove whether they disclosed the Know-how to family members. Therefore, each Owner agrees that he or she will be presumed to have violated the terms of Section 14 if any member

~~of his or her immediate family engages in any Prohibited Activities during the Term or Post-Term Restricted Period or uses or discloses the Know-how. However, the Owner may rebut this presumption by furnishing evidence conclusively showing the Owner did not disclose Know-how to the family member.~~

~~**Employees and Others Associated with You**. All of your Covered Persons must sign a Brand Protection Covenant. You must ensure all of your employees, officers, directors, partners, members, independent contractors and other persons associated with you or your Business who may have access to our Know-how, and who are not required to sign a Brand Protection Agreement, sign and send us a Confidentiality Agreement before having access to our Know-how. You must use your best efforts to ensure these individuals comply with the terms of the Brand Protection Agreements and Confidentiality Agreements, as applicable, and you must immediately notify us of any breach that comes to your attention. You agree to reimburse us for all reasonable expenses we incur in enforcing a Brand Protection Agreement or Confidentiality Agreement, as applicable, including reasonable attorneys' fees and court costs.~~

~~**Covenants Reasonable**. You and the Owners acknowledge and agree that: (a) the terms of this Agreement are reasonable both in time and in scope of geographic area; (b) our use and enforcement of covenants similar to those described above with respect to other franchisees benefits you and the Owners in that it prevents others from unfairly competing with your Business; and (c) you and the Owners have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. YOU AND THE OWNERS HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS SECTION 14 AS BEING OVERLY BROAD, UNREASONABLE OR OTHERWISE UNENFORCEABLE.~~

~~**Breach of Covenants**. You and the Owners agree that failure to comply with the terms of this Section 14 is likely to cause substantial and irreparable damage to us and/or our other franchisees for which there is no adequate remedy at law. Therefore, you and the Owners agree that any violation of the terms of this Section 14 will entitle us to injunctive relief. We may apply for such injunctive relief, without bond, but upon due notice, in addition to any other relief available at equity or law, and your sole remedy in the event of the entry of such injunction will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree the amount of the bond shall not exceed $1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages. Any claim, defense or cause of action that you or an Owner may have against us, regardless of cause or origin, cannot be used as a defense against our enforcement of this Section 14.~~

49.2. ~~15.~~ Your ~~OTHER RESPONSIBILITIES~~Personnel

You acknowledge and agree that you are solely responsible for all decisions relating to employees, agents, and independent contractors that you may hire to assist in the operation of your Franchised Business. You agree that any employee, agent, or independent contractor that you hire will

be your employee, agent, or independent contractor, and not our employee, agent or independent contractor. You also agree that you are exclusively responsible for the terms and conditions of employment of your employees, including recruiting, hiring, firing, training, compensation, work hours and schedules, work assignments, safety and security, discipline, and supervision. You agree to manage the employment functions of your Franchised Business in compliance with federal, state, and local employment laws. You agree to maintain a competent, conscientious, and trained staff sufficient to service customers and operate your Franchised Business in accordance with our System Standards.

~~**Insurance**. For your protection and ours, you agree to maintain the following insurance policies:~~

~~(i) "all risk" property insurance coverage on all assets, including inventory, furniture, fixtures, equipment, supplies and other property used in the operation of your Business, which must include coverage for fire, vandalism and malicious mischief and have coverage limits of at least full replacement cost;~~

~~(ii) comprehensive general liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the operation of your Business, containing minimum liability protection of $1,000,000 per occurrence and $2,000,000 in the aggregate;~~

~~(iii) automobile liability and property damage insurance covering all loss, liability, claim or expense of any kind whatsoever resulting from the use, operation, or maintenance of any automobiles or motor vehicles, owned, leased, or used by you, or your officers, directors, employees, partners or agents, in the operation of your Business, containing minimum liability protection of $1,000,000 per occurrence;~~

~~(iv) business interruption insurance with minimum coverage of $100,000;~~

~~(v) such insurance as necessary to provide coverage under the indemnity provisions set forth in Section 18;~~

~~(vi) workers' compensation insurance as required by state law and employer liability coverage with a minimum limit of $100,000 per incident and $500,000 for the policy limit;~~

~~(vii) any insurance required by law; and~~

~~(viii) any other insurance that we specify in the Manual from time to time.~~

~~You must provide us with proof of coverage prior to opening, within 10 days of any renewal of a policy, and at any other time on demand. You agree to obtain these insurance policies from insurance carriers that are rated A or better by Alfred M. Best & Company, Inc. and that are licensed and admitted in the state in which you operate your Business. All insurance policies must endorsed to: (a) name Softroc Global, LLC as an additional insured (utilizing Grantor of Franchise endorsement CG 20 29 or endorsement with comparable wording); (b) contain a waiver by the insurance carrier of all subrogation rights against us; and (c) provide that we receive 10 days' prior written notice of the termination, expiration, cancellation or modification of the policy. If any of your policies fail to meet this criteria, we~~

may disapprove the policy and you must immediately find additional coverage with an alternative carrier satisfactory to us. Upon 10 days' notice to you, we may increase the minimum liability coverage amount of any policy and/or require different or additional types of insurance to reflect inflation, identification of special risks, changes in law or standards or liability, higher damage awards or other relevant changes in circumstances. If you fail to maintain any required insurance coverage, we have the right to obtain the coverage on your behalf (which right shall be at our option and in addition to our other rights and remedies in this Agreement), and you must promptly sign all applications and other forms and instruments required to obtain the insurance and pay to us, within 10 days after invoicing, all costs and premiums we incur.

Books and Records. You must prepare complete and accurate books, records, accounts and tax returns pertaining to your Business and keep copies for at least five (5) years after their preparation. You must maintain, and furnish to us upon request, a list of all of your customers. You must send us copies of your books and records within seven (7) days of our request. You must send us a copy of all tax returns pertaining to your Business by April 30th of each year.

Reports. No later than the 5th day of each month, you must prepare and provide to us monthly statements of: (a) your Gross Sales and expenses for the prior month's operations; and (b) your expenditures on local advertising required by Section 11.3 incurred during the prior month (which shall be accompanied by copies of receipts for such expenditures). You also agree to prepare all other reports we require in the form and manner we specify. You agree to send us a copy of any report required by this Section upon request. If you miscalculate Gross Sales, you must notify us of the error no later than the end of the next Gross Sales reporting period. Otherwise, you will not be entitled to any refund or credit of any fees paid to us based upon the Gross Sales previously reported. If we require that you purchase a computer and/or automated cash management system that allows us to electronically retrieve information concerning your sales transactions, we will have the right to electronically poll your computer and/or automated cash management system to retrieve and compile information regarding the operation of your Business.

Financial Statements. On or before the 15th day of each month, you must provide us with a balance sheet and income statement for the preceding month and the fiscal year-to-date. Within 90 days after the end of each calendar year, you must prepare a balance sheet for your Business (as of the end of the calendar year) and an annual statement of profit and loss and source and application of funds. All financial statements must be: (a) verified and signed by you certifying to us that the information is true, complete, and accurate; (b) prepared on an accrual basis in compliance with Generally Accepted Accounting Principles; and (c) submitted in any format we reasonably require. We may require that your financial statements be reviewed or audited by an independent certified public accountant if you submit materially inaccurate financial statements on two (2) or more prior occasions. You agree to send us a copy of any financial statement required by this Section upon request. You authorize us to disclose the financial statements, reports, and operating data to prospective franchisees, regulatory agencies and others at our discretion, provided the disclosure is not prohibited by applicable law.

49.3. ~~15.5. Legal~~ Compliance with Applicable Laws

~~.~~ You ~~must~~shall secure and maintain in force all required operational and professional licenses, permits and ~~regulatory approvals~~certificates necessary for the operation of your Franchised Business ~~and~~, including all zoning and local permits necessary to operate your Franchised Business from the Franchised Business Office, and shall operate your Franchised Business in full compliance with all applicable laws, ordinances, ~~rules~~ and regulations. We make no representation to you with regard to any legal requirements that you must satisfy or comply with in connection with the operation of your Franchised Business. You shall be solely responsible for investigating and complying with all such laws, ordinances, and regulations with regard to the operation of your Franchised Business.

You represent and warrant to us that neither you nor any of your employees, agents, or representatives, nor any other person or entity associated with you, is now, or has been: (1) listed on the U.S. Treasury Department's List of Specially Designated Nationals, the U.S. Commerce Department's Denied Persons List, Unverified List, Entity List, or General Orders, the U.S. State Department's Debarred List or Nonproliferation Sanctions, or the Annex to U.S. Executive Order 13224; or (2) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism, or is owned or controlled by terrorists or sponsors of terrorism. You further represent and warrant to us that you are now, and have been, in compliance with U.S. anti-money laundering and counter-terrorism financing laws and regulations, and that any funds provided by you to us or our affiliates are and will be legally obtained in compliance with these laws. You agree not to, and to cause all employees, agents, representatives, and any other person or entity associated with you not to, during the term of this Agreement, take any action or refrain from taking any action that would cause such person or entity to become a target of any such laws and regulation.

50. Notification of Proceedings and Breaches

You must notify us ~~in writing within two (2) business~~not more than five days ~~of~~after the ~~beginning~~commencement of any action, suit~~, investigation~~ or proceeding involving you or your Franchised Business, or ~~of~~ the issuance of any order, writ, injunction, ~~disciplinary action, award~~judgment, award, or decree ~~of any court, agency or other governmental instrumentality, which may adversely~~which may affect the operation ~~of your Business or your~~or financial condition of your Franchised Business. You must ~~immediately~~ deliver to us within 2 days of receipt a copy of any ~~inspection report, warning, certificate or rating by any governmental agency involving any health or safety law, rule or regulation that reflects your failure to fully comply with the law, rule or regulation.~~ and all notices you receive from any person, Business Entity or governmental authority claiming that you, your representatives, or your Franchised Business has violated any laws, regulations, permits, licenses, agreements or other committed any other breach, default or violation in connection with your Franchised Business, and/or that any audit, investigation, or similar proceeding by any such person or governmental authority is pending or threatened against you on the basis of any of any the foregoing, including any default notices from any landlord or supplier, any violation notices from a health or safety regulatory board, and any customer complaints alleging violations or law, or which may otherwise adversely affect your operation or financial condition or that of your Franchised Business.

~~**Ownership and Protection of Data.** We are the exclusive owner of all data that you and/or we collect relating to your customers or your Business. We hereby grant you a license~~

~~to utilize such data solely for purposes of operating your Business in compliance with this Agreement. You must protect all customer data with a level of control proportionate to the sensitivity of data. You must adhere to applicable privacy laws with respect to data, which if compromised, could have a negative impact on our image or consumer confidence. You agree: (a) to comply with all applicable data protection laws as well as our data processing and data privacy policies as set forth in the Manual from time to time; and (b) upon our request, to sign any data processing and/or data privacy agreement required by any applicable data protection law or otherwise required by us. You further agree to:~~

~~(i) obtain, maintain and adhere to all applicable compliance standards established by PCI-DSS;~~

~~(ii) establish appropriate administrative, technical and physical controls consistent with law and PCI-DSS to preserve the security and confidentiality of any credit card information, in any form whatsoever, that it stores, processes, transmits, or comes in contact with;~~

~~(iii) promptly notify us if you suspect that there is, or has been, a security breach or potential compromise of any such credit card information;~~

~~(iv) provide us with updates regarding the status of PCI-DSS, which update may be through a completed PCI AOC (Attestation of Compliance), PCI-DSS SAQ (Self-Assessment Questionnaire) or other method mutually agreed; and~~

~~(v) promptly notify us of any noncompliance PCI-DSS requirements to discuss your remediation efforts and timeline.~~

51. Compliance with Good Business Practices

You acknowledge that the quality of customer service and the demeanor of you and your employees is material to this Agreement and the relationship created and hereby. Therefore, you agree to give prompt, courteous, and efficient service to customers of your Franchised Business and to cause your Franchised Business to adhere to the highest standards of honesty, fair dealing and ethical conduct in all dealings with its customers, vendors and the general public. We have the right to intervene and satisfy any customer that we determine was not properly addressed by you, including by refunding the customer for any amounts we deem appropriate, and you must reimburse us for such refunded amounts or other remedies we offer any customer.

51.1. ~~16. INSPECTION AND AUDIT~~Call Center Program

If we require, you will participate in the call center program, as it exists from time to time, which may include using and publishing a telephone number we designate, receiving calls from a call center established and operated by us, engaging a designated service provider (which may be us, our affiliate, or a third party) to answer calls, set customer appointments, and provide other related services, and acquiring, installing, and using related technology, and using designated service providers. You must pay all fees imposed by the service provider for these services and enter into any related user or service agreements. At any time that a call center program is not implemented, you must arrange for the answering of all incoming phone calls during regular business hours. In addition to our other remedies under this Agreement, if you fail to comply with this requirement on two or more occasions,

then we may require you to engage the services of a professional call center services provider approved in advance by us, at your expense.

52. Minimum Performance Criteria

You agree to use your best efforts to promote and increase the sales and recognition of services offered through your Franchised Business. There are no minimum performance criteria during the first 2 years of operations of your Franchised Business. Beginning with the 25th month of operation, your Franchised Business must achieve average Collected Gross Revenue per month no less than the minimum average monthly revenue specified on the Cover Page (calculated as total Collected Gross Revenue during the prior trailing six-month period, divided by six). With no less than 30 days prior notice, we may increase the amount of the minimum average monthly Collected Gross Revenue reflected on the Summary Page in an amount not to exceed the aggregate rate of inflation established by the U.S. Bureau of Labor's Consumer Price Index since the Effective Date, or such later date as we last adjusted the minimum average monthly Collected Gross Revenue.

53. National Account Clients

We or our affiliates may periodically enter into agreements with clients that require service (the "**National Account Clients**"). We may, at our election, provide these services ourselves or through our affiliates or designees, and/or may subcontract servicing rights to one or more third parties or franchisees, in our discretion. We may establish criteria or qualifications for franchisees that wish to service National Accounts Clients, including different service standards, requirements for accepting or declining jobs, insurance requirements, or other conditions we establish. If we offer you the right to provide services to a National Account Client, you must provide the services in accordance with all of our System Standards, plus the terms, fees, and conditions that we have negotiated with the National Account Client. We may invoice the National Account Client and collect payment directly. We may also charge our then-current fees for participation in the program, including dispatch, management, declined job fees, or other processing or administrative fees. In such cases, we will deduct from the payment any applicable fees and any amounts calculated under this Agreement on the basis of such Collected Gross Revenue, and remit to you the balance within a reasonable time following receipt.

53.1. ~~16.1. Inspections~~Pricing

~~. To ensure compliance with this Agreement, we (or our representative) may evaluate your operations and inspect or examine your books, records, accounts and tax returns. Our evaluation may include monitoring and/or recording your provision of Softroc Services and contacting your customers and/or employees. Inspections may be conducted at any time and without prior notice. During the course of the inspection, we (or our representative) will use reasonable efforts to minimize any interference with the operation of your Business, and you and your employees must cooperate and not interfere with the inspection. You consent to us accessing your computer system and retrieving any data we deem appropriate in connection with the inspection. Solely for purposes of verifying compliance with this Agreement, including, without limitation, the noncompetition covenants, we shall have the right to periodically inspect the books and records of any business or entity in which you, any Owner, any Covered Person, or any immediate family member of any of these individuals (including a spouse, parent, sibling, child, grandchild or other member of the household) holds a direct~~

or beneficial ownership or other financial interest of 1% or more (an "Affiliated Entity"). An Affiliated Entity shall not include any publicly-held entity if neither you nor any Owner, Covered Person or immediate family member of any of these individuals holds a 5% or greater legal or beneficial ownership interest in such publicly-held company. To the maximum extent possible, you, the Owner, the Covered Person or the immediate family member, as applicable, shall cause the Affiliated Entity to reasonably cooperate with us and our representatives in conducting the inspection or audit. The failure or refusal of an Affiliated Entity to cooperate with our inspection and/or auditing rights shall constitute a default under this Agreement. We will maintain the confidentiality of all information that pertains to an Affiliated Entity and is obtained as a result of an inspection or audit, except to the extent such information relates to a breach of the requirements of this Agreement.

Audit. We have the right, at any time, to have an independent audit made of: (a) your books and financial records; and/or (b) the books and records of any Affiliated Entity. You must fully cooperate with us and any third parties we hire to conduct the audit. If an audit reveals an understatement of any amount owed to us, you must immediately pay us all additional fees you owe together with any late fee imposed pursuant to Section 13.4. Each audit will be performed at our cost unless the audit: (a) is required due to your failure to provide information we request, preserve records or file reports as required by this Agreement; (b) reveals an understatement of any amount due to us by at least 3%; or (c) reveals a breach of the noncompetition covenant by you, any Owner, any Covered Person or any immediate family member of any of these individuals, in which case you must reimburse us for the cost of the audit or inspection, including all reasonable accounting and attorneys' fees and travel and lodging expenses that we or our representatives incur. The audit cost reimbursements will be due upon demand. We shall not be deemed to have waived our right to terminate this Agreement by accepting reimbursements of our audit costs.

INTELLECTUAL PROPERTY

Ownership and Use of Intellectual Property. You acknowledge that: (a) we (or our affiliate) is the sole and exclusive owner of the Intellectual Property and the goodwill associated with the Marks; (b) your right to use the Intellectual Property is derived solely from this Agreement; and (c) your right to use the Intellectual Property is limited to a license granted by us to operate your Business during the Term pursuant to, and only in compliance with, this Agreement, the Manual, and all applicable standards, specifications and operating procedures we prescribe from time to time. You may not use the Intellectual Property in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized by us. Any unauthorized use of the Intellectual Property constitutes an infringement of our rights. You agree to comply with all provisions of the Manual governing your use of the Intellectual Property. This Agreement does not confer to you any goodwill, title or interest in any of the Intellectual Property.

Changes to Intellectual Property. WeYou shall have the sole right to modify the Intellectual Property at any time in our sole discretion, including by changing the Marks, the System, the Copyrights or the Know-how. If we modify or discontinue use of any Intellectual Property, you must comply with any such instructions from us within 30 days at your expense. We will not be liable to you for any expenses, losses or damages you incur (including the loss

of any goodwill associated with a Mark) because of any addition, modification, substitution or discontinuation of the Intellectual Property.determine the prices to be charged by your Franchised Business for services offered to customers, other than: (i) prices charged National Accounts Clients, which we will negotiate in advance with our National Accounts Clients; and (ii) we will have the sole right to determine the prices to be charged for products sold through any Franchise System Website, even if such sales are to persons identified as customers of your Franchised Business.

Use of Marks. You agree to use the Marks as the sole identification of your Business; provided, however that you must identify yourself as the independent owner of your Business in the manner we prescribe. You may not use the Marks in any modified form or as part of a corporate or trade name, domain name, social media handle, or with any prefix, suffix, or other modifying words, designs or symbols (other than logos licensed to you by this Agreement). You agree to: (a) prominently display the Marks in the manner we prescribe on or in connection with any advertising, promotional materials, posters, displays, receipts, stationery and forms that we designate to give notice of trade and service mark registrations and copyrights; and (b) obtain any fictitious or assumed name registrations required by applicable law. You may not use the Marks in signing any contract, lease, check, negotiable instrument or other agreement or in any manner likely to confuse or result in liability to us for any indebtedness or obligation of yours.

Use of Know-how. We will disclose the Know-how to you in the initial training program, the Manual, and in other guidance furnished to you during the Term. You will not acquire any interest in the Know-how other than the right to utilize it in strict accordance with the terms of this Agreement. You acknowledge the Know-how is proprietary and is disclosed to you solely for use in the development and operation of your Business during the Term.

Improvements. If you conceive of or develop any improvements or additions to the method of operation, techniques, procedures, advertising, marketing, products or services offered or utilized by a Softroc Business (collectively, "Improvements"), you agree to promptly and fully disclose the Improvements to us without disclosing the Improvements to others. You must obtain our approval prior to using any such Improvements. Any Improvement we approve may be used by us and any third parties we authorize to operate a Softroc Business, without any obligation to pay you royalties or other fees. You must assign to us or our designee, without charge, all rights to any such Improvement, including the right to grant sublicenses. In return, we will authorize you to use any Improvements we or other franchisees develop that we authorize for general use in connection with the operation of a Softroc Business.

Notification of Infringements and Claims. You must immediately notify us of any: (a) apparent infringement of the Intellectual Property; (b) challenge to your use of the Intellectual Property; or (c) claim by any person of any rights in the Intellectual Property. You may not communicate with any person other than us and our counsel in connection with any such infringement, challenge or claim. We will have sole discretion to take such action as we deem appropriate. We have the right to exclusively control any litigation, Patent and Trademark Office proceeding, or other proceeding arising out of any such infringement, challenge or claim. You agree to execute all documents, render all assistance, and perform all

~~acts that may, in the opinion of our counsel, be necessary or advisable to protect or maintain our interest in any such litigation or proceeding and/or protect our rights to the Intellectual Property.~~

54. Periodic Visits and Inspections

We or our designees may make periodic visits, which may be announced or unannounced, to your Franchised Business and/or any job site for services conducted by your Franchised Business for the purposes of consultation, assistance, and inspection with respect to the operation and management of your Franchised Business. We may take photographs, videos and otherwise monitor your Franchised Business operations, remove samples, inspect your Technology Systems, speak with your customers or personnel, and/or conduct customer surveys or other market research and testing. You agree to cooperate with us and our designees fully during all periodic visits and inspections. If we determine after any inspection that one or more failures of System Standards exist, or any circumstance exists that prevent us or our designees from properly inspecting your Franchised Business or any job site, we may re-inspect one or more times thereafter to evaluate whether such failures have been cured and/or conduct any other follow-up review that we deem is necessary, and you will reimburse all of our and our designees' costs associated with the failed audit and/or such re-inspections and follow-up visits, including supplier fees, travel expenses, room and board, and compensation of our employees. These remedies are in addition to our other remedies and rights under this Agreement and applicable law.

55. Insurance Coverage

During the term of this Agreement, you must maintain in force at your sole expense the minimum types and amounts of insurance that we require as part of our System Standards. We reserve the right to require that you obtain all or a portion of your insurance policies from a designated supplier and on the terms and according to the specifications we approve. We reserve the right to require increased coverage if you wish to service National Accounts Clients. The liability insurance must cover claims for bodily and personal injury, death, and property damage caused by or occurring in connection with your Franchised Business' operation or activities of you and your personnel. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverages at any time. These insurance policies must be purchased from licensed insurers having a rating of "A/VIII" or higher.

Each insurance policy for liability coverage must name us and any affiliates we designate as additional named insureds, using a form of endorsement that we have approved, and provide for 30 days' prior written notice to us of a policy's material modification, cancellation or expiration. Each insurance policy must contain a waiver of all subrogation rights against us, our affiliates and their successors and assigns. You must routinely furnish us copies of your Certificates of Insurance or other evidence of your maintaining this insurance coverage and paying premiums. If you fail or refuse to obtain and maintain the insurance we specify, in addition to our other remedies including termination, we may (but are not required to) obtain such insurance for you and your Franchised Business on your behalf, in which event you agree to cooperate with us and reimburse us on demand for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee.

Our requirements for minimum insurance coverage are not representations or warranties of any kind that such coverage is sufficient for your Franchised Business' operations. Such requirements

represent only the minimum coverage that we deem acceptable to protect our interests. It is your sole responsibility to obtain insurance coverage for your Franchised Business that you deem appropriate, based on your own independent investigation. We are not responsible if you sustain losses that exceed your insurance coverage under any circumstances.

56. Service Warranties

You acknowledge and agree that certain products and services your Franchised Business provides to customers may be subject to one or more customer warranties, guarantees, commitments and/or similar customer service programs, including those offered by you and your affiliates and/or third-party service providers and manufacturers that offer products and services used by your Franchised Business (collectively, "**Service Warranties**"). During and after the term of this Agreement, you agree to honor all Service Warranties made to customers of your Franchised Business, including using your best efforts to assist customer of your Franchised Business tendering claims to any third-party serviced providers and manufacturers. You must obtain our approval of all Service Warranties before you offer them to customers of your Franchised Business. We may establish System Standards for any such Serviced Warranties from time to time. Notwithstanding any System Standards, approvals, or support we provide relating to Service Warranties, you acknowledge and agree that all Service Warranties offered by your Franchised Business are strictly your obligation and responsibility, and are not offered or guaranteed in any manner by us or our affiliates.

If you fail to honor any Service Warranties to your customers, you agree that we have the right to take any action we deem appropriate to honor such Service Warranties on your behalf, including by providing any services or products or support ourself, or through our designees, affiliates, representatives, or other franchisees, and you hereby agree to reimburse us any and all costs incurred by us, our designees, affiliates, representatives, or other franchisees. We have the right to require you to pay us a reasonable deposit or hold-back, post a bond, or offer another form of financial assurance to us to support any Service Warranties offered by your Franchised Business. This amount would be refunded to you after expiration or termination of all Service Warranties offered by your Franchised Business, less any deductions arising if we have to honor any such Service Warranties on your behalf.

56.1. ~~18. INDEMNITY~~Subcontractors

Notwithstanding anything to the contrary, you agree that you must obtain our prior written approval of any subcontractor that will be used to provide services of any kind for your Franchised Business. You acknowledge and agree that, even if we approve any subcontractor for a particular job, you will remain fully liable for all obligations under your Franchise Agreement for all operations from your Franchised Business, including those performed by any approved subcontractors. You will also be fully liable for the actions, omissions, and performance of any and all subcontractors and their personnel. Your obligations under Section 16.2 will apply to any damages, fines, costs, expenses or liability arising from the actions, omissions or operations of your subcontractors.

~~. You agree to indemnify the Indemnified Parties and hold them harmless for, from and against any and all Losses and Expenses incurred by any of them as a result of or in connection with any of the following:~~

~~(i) the marketing, use or operation of your Business;~~

~~(ii) the breach of this Agreement or any related agreement by you or any of your~~

Owners or affiliates;

(iii) any Installation Warranty work conducted by us or other Softroc franchisee or dealer after the termination or expiration of this Agreement under an Installation Warranty issued by you;

(iv) any Claim relating to taxes or penalties assessed by any governmental entity against us that are directly related to your failure to pay or perform functions required of you under this Agreement;

(v) any labor, employment or similar type of Claim pertaining to your employees, including claims alleging we are a joint employer of your employees;

(vi) any actions, investigations, rulings or proceedings conducted by any state or federal agency relating to your employees, including, without limitation, the United States Department of Labor, the Equal Employment Opportunity Commission and the National Labor Relations Board; and

(vii) any labor, employment or similar type of Claim pertaining to our relationship with you or your Owners, including claims alleging that you or any of your Owners are employees of ours.

You and your Owners must give us notice of any action, suit, proceeding, claim, demand, inquiry or investigation described above. The Indemnified Parties shall have the right, in their sole discretion to: (a) retain counsel of their choosing to represent them with respect to any Claim; and (b) control the response thereto and the defense thereof, including the right to enter into an agreement to settle a Claim. You may participate in such defense at your expense. You must fully cooperate and assist the Indemnified Parties with the defense of any such Claim. You must reimburse the Indemnified Parties for all of their costs and expenses in defending any such Claim, including court costs and reasonable attorneys' fees, within 10 days of receipt of each invoice enumerating such costs, expenses and attorneys' fees.

57. ~~19. TRANSFERS~~DEFAULT AND TERMINATION

By Us. This Agreement is fully assignable by us (without prior notice to you) and shall inure to the benefit of any assignee(s) or other legal successor(s) to our interest in this Agreement, provided that we shall, subsequent to any such assignment, remain liable for any obligations incurred by us prior to the effective date of the assignment. We may also delegate some or all of our obligations under this Agreement to one or more persons without assigning the Agreement.

By You. The rights and duties created by this Agreement are personal to you and the Owners. We have granted the franchise in reliance upon the individual or collective character, skill, aptitude, attitude, business ability and financial capacity of you and your Owners. Because this Agreement is a personal services contract, neither you nor any Owner may engage in a Transfer (other than a Permitted Transfer) without our prior written approval. Any Transfer (other than a Permitted Transfer) without our approval shall be void and constitute a breach of this Agreement. We will not unreasonably withhold our approval of a Transfer if all of the following conditions are satisfied:

(i) the proposed transferee is, in our opinion, an individual or group of individuals of good moral character who have sufficient business experience, aptitude and financial resources to own and operate a Softroc Business and otherwise meet our then applicable standards for franchisees;

(ii) you and your Owners are in full compliance with the terms of this Agreement and all other agreements with us and our affiliates;

(iii) all of the transferee's owners have successfully completed, or made arrangements to attend, the initial training program (and the transferee has paid us any applicable training fee for each person who must attend training);

(iv) the transferee and its owners, to the extent necessary, have obtained all licenses and permits required by applicable law in order to own and operate the Business;

(v) the transferee signs an agreement, in a form satisfactory to us, agreeing to discharge and guaranty all of your obligations under this Agreement and any other agreement relating to the Business, including, without limitation, customer contracts, supplier contracts, warranty work and service plans;

(vi) the transferee and its owners sign our then-current form of franchise agreement (unless we, in our sole discretion, instruct you to assign this Agreement to the transferee), except that: (a) the Term and renewal term(s) shall be the Term and renewal term(s) remaining under this Agreement; and (b) the transferee need not pay a separate initial franchise fee;

(vii) you upgrade your service vehicle, tools and equipment if necessary to comply with our then-current standards and specifications (or you obtain a commitment from the transferee to do so within the period of time we approve) or the transferee has acquired its own service vehicle, tools and equipment that comply with our then-current standards and specifications;

(viii) you or the transferee pay us a $5,000 transfer fee to defray expenses we incur in connection with the Transfer;

(ix) you and your Owners sign a General Release for all claims arising before or contemporaneously with the Transfer;

(x) we do not elect to exercise our right of first refusal described in Section 19.5; and

(xi) you or the transferring Owner, as applicable, and the transferee have satisfied any other conditions we reasonably require as a condition to our approval of the Transfer.

Our consent to a Transfer shall not constitute a waiver of any claims we may have against the transferor, nor shall it be deemed a waiver of our right to demand exact compliance with any of the terms or conditions of the franchise agreement by the transferee.

Permitted Transfers. You may engage in a Permitted Transfer without our prior approval, but you must: (a) give us at least 10 days' prior written notice; and (b) upon our request, cause any Entity that was originally the franchisee under this Agreement to sign a corporate guarantee in the format we require in order to secure the performance of the new franchisee Entity's financial obligations under this Agreement and all related agreements. You and the Owners (and the transferee) agree to sign all documents that we reasonably request to effectuate and document the Permitted Transfer.

Death or Disability of an Owner. Upon the death or permanent disability of an Owner, the Owner's ownership interest in you or the franchise, as applicable, must be assigned to another Owner or to a third party approved by us within 180 days. Any assignment to a third party will be subject to all of the terms and conditions of Section 19.2 unless the assignment qualifies as a Permitted Transfer. For purposes of this Section, an Owner is deemed to have a "permanent disability" only if the person has a medical or mental problem preventing the person from substantially complying with his or her obligations under this Agreement or otherwise operating the Business in the manner required by this Agreement and the Manual for a continuous period of at least three (3) months.

Our Right of First Refusal. If you or an Owner desires to engage in a Transfer, you or the Owner, as applicable, must obtain a bona fide, signed written offer from the fully disclosed purchaser and submit an exact copy of the offer to us. We will have 30 days after receipt of the offer to decide whether we will purchase the interest in your Business or the ownership interest in you for the same price and upon the same terms contained in the offer (however, we may substitute cash for any form of payment proposed in the offer). If we notify you that we intend to purchase the interest within the 30-day period, you or the Owner, as applicable, must sell the interest to us. We will have an additional 30 days to prepare for closing. We will be entitled to receive from you or the Owner, as applicable, all customary representations and warranties given by you (as the seller of the assets) or the Owner (as the seller of the ownership interest) or, at our election, the representations and warranties contained in the offer. If we do not exercise our right of first refusal, you or the Owner, as applicable, may complete the Transfer to the purchaser pursuant to the terms of the offer, subject to the requirements of Section 19.2 (including our approval of the transferee). However, if the sale to the purchaser is not completed within 120 days after delivery of the offer to us, or there is a material change in the terms of the sale, we will again have the right of first refusal specified in this Section. Our right of first refusal shall not apply to a Permitted Transfer.

57.1. ~~20.~~ Automatic Termination

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

~~**By You**. You may terminate this Agreement if we materially breach this Agreement and fail to cure the breach within 90 days after you send us a written notice specifying the nature of the breach. If you terminate this Agreement, you must still comply with your post-termination obligations described in Section 21 and all other obligations that survive the expiration or termination of this Agreement.~~

57.2. ~~20.2.~~ Termination by ~~Us Without Cure Period~~Franchisor

We may terminate this Agreement, effective immediately on delivery of written notice of termination to you, if:

~~. We may, in our sole discretion, terminate this Agreement upon five (5) days' written notice, without opportunity to cure, for any of the following reasons, all of which constitute material events of default under this Agreement:~~

~~(i) if the Managing Owner fails to satisfactorily complete the initial training program in the manner required by Section 5.1;~~

(a) ~~(ii) if~~ You fail to ~~open your~~obtain our approval and commence operations of your Franchised Business ~~within the time period required by~~by the deadline specified in and otherwise pursuant to Section ~~7.5~~4.3;

(b) Your Key Personnel fail to complete the Training Program to our satisfaction;

~~(iii) if you become insolvent by reason of your inability to pay your debts as they become due or you file a voluntary petition in bankruptcy or any pleading seeking any reorganization, liquidation, dissolution or composition or other settlement with creditors under any law, or are the subject of an involuntary bankruptcy (which may or may not be enforceable under the Bankruptcy Act of 1978);~~

~~(iv) if your Business, or a substantial portion of the assets associated with your Business, are seized, taken over or foreclosed by a government official in the exercise of his or her duties, or seized, taken over or foreclosed by a creditor, lienholder or lessor; or a final judgment against you remains unsatisfied for 30 days (unless a supersedes or other appeal bond has been filed); or a levy of execution has been made upon the license granted by this Agreement or upon any property used in your Business, and it is not discharged within five (5) days of the levy;~~

(c) ~~(v) if~~ You ~~abandon or~~ fail to ~~operate your Business for three (3) consecutive business days, unless the failure is due to an event of force majeure or another reason we approve;~~maintain all required professional licenses, permits and certifications for a period exceeding 5 business days;

~~(vi) if a regulatory authority suspends or revokes a license or permit held by you or an Owner that is required to operate the Business, even if you or the Owner still maintain appeal rights;~~

(d) You or your Owners make any material misrepresentation or omission in your application for the franchise granted hereby, or otherwise to us in the course of entering into this Agreement;

(e) ~~(vii) if~~ You or ~~an Owner (a) is~~your Owners are convicted of or ~~pleads~~plead no contest to a felony~~, a crime involving moral turpitude or any other material crime or (b) is subject to any material administrative disciplinary action or (c) fails to comply with any material federal, state or local law or regulation applicable to your~~ or other crime or offense that is likely to adversely affect our reputation, you, or the operation of your Franchised Business;

(f) You or your Owners or affiliates engage in any activities, behavior or conduct that are prohibited under the covenants contained in Section 6;

(g) You abandon, fail or refuse to actively operate your Franchised Business for 5 or more consecutive days (unless approved by us in advance);

(h) You or your Owners conduct or attempt to conduct any transfer in violation of Section **Error! Reference source not found.** without our prior approval;

(i) Your Franchised Business is at any time not under the full-time management and supervision of a Designated Owner or Designated Manager that we have approved;

(j) You submit to us on two or more separate occasions at any time during the term of this Agreement any reports or other data, information or supporting records that understate any Royalty Fee or any other fees owed to us by more than 5% for any accounting period;

(k) ~~(viii) if~~ You ~~or an Owner commits an~~ misuse or make an unauthorized use of any of the Marks or commit any other act ~~that~~which can reasonably be expected to ~~materially and adversely affect the reputation of the System or~~impair the goodwill associated with any of the Marks;

(l) You fail to comply with any term of this Agreement two or more separate occasions within any period of 12 consecutive months, whether or not cured;

(m) ~~(ix) if~~ You ~~manage~~ violate any health or safety law, ordinance or regulation, or operate your Franchised Business in a manner that presents ~~a~~an immediate health or safety hazard to your customers, employees, or the public, and do not begin to cure such violation or hazard immediately, and correct such violation or hazard within 72 hours;

(n) You or any of your Owners or affiliates fail to pay any other third-party, including any lender or creditor, any other amounts owed in connection with your Franchised Business when due, and do not cure such failure within any applicable cure period granted by such third-party, if any;

(o) You or your Owners or affiliates default under any other agreement between us or any of our affiliates and you or any of your Owners or affiliates, such that we or our affiliate, as the case may be, have the right to terminate such agreement or such agreement automatically terminates, including any applicable TDC Services Addendum;

(p) ~~(x) if~~ You ~~or an Owner make any material misrepresentation to us, whether occurring before or after being granted the franchise;~~fail to comply with any applicable law or regulation, and fail to cure such failure within 10 days after delivery of written notice;

(q) ~~(xi) if~~ You fail to pay any ~~amount owed to us or an affiliate of ours~~amounts due under this Agreement, and fail to cure such default within ~~10~~5 days after ~~receipt of a demand for payment~~delivery of written notice default;

(r) You fail to procure or maintain insurance as specified in Section 11.14 of this Agreement, and fail to cure such default within 10 days after delivery of written notice of default; or

(s) ~~(xii) if~~ You ~~underreport any amount owed to us by at least 3%, after having already committed a similar breach that had been cured in accordance with Section 20.3;~~breach any other provision of this Agreement, and fail to cure such default within 30 days after delivery of written notice of default.

58. Termination by Franchisee

If you are in full compliance with all of the terms of this Agreement and we materially breach this Agreement and fail to cure such breach within 60 days after receiving written notice identifying the claimed breach, you may elect to terminate this Agreement unless the breach cannot reasonably be cured within such 60 days. If the breach cannot reasonably be cured in such 60 days, you may elect to terminate this Agreement only if we do not promptly undertake and continue efforts to cure such material breach within a reasonable period of time and furnish you reasonable proof of such efforts.

~~(xiii) if you make an unauthorized Transfer;~~

~~(xiv) if you make an unauthorized use of the Intellectual Property;~~

~~(xv) if you breach any of the brand protection covenants described in Section 14;~~

~~(xvi) if any Covered Person breaches any of the brand protections covenants in a Brand Protection Agreement;~~

~~(xvii) if any Owner breaches a Franchise Owner Agreement; or~~

~~(xviii) if we terminate any other agreement between you and us or if any affiliate of ours terminates any agreement between you and the affiliate because of your default.~~

58.1. ~~20.3.~~ Additional ~~Conditions of Termination~~Remedies

At any time that you are in default of any obligation under this Agreement, until such time as you correct the default, in addition to all other rights under this Agreement, we have the right to: (i) terminate or suspend your right to participate in any programs or benefits associated with the System,

including the right to provide services to National Accounts Clients; and/or (ii) cease selling or supplying any products or services to you for which we are an Approved Supplier, or require you to post a bond, deposit, or pay for such products in advance of processing any such order.

59. RIGHTS AND DUTIES UPON EXPIRATION OR TERMINATION

~~. In addition to our termination rights in Section 20.2, we may, in our sole discretion, terminate this Agreement upon 30 days' written notice if you or an Owner fail to comply with any other provision of this Agreement (including any mandatory provision in the Manual) or any other agreement with us, unless such default is cured, as determined by us in our sole discretion, within such 30-day notice period. If we deliver a notice of default to you pursuant to this Section 20.3, we may suspend performance of any of our obligations under this Agreement until you fully cure the breach.~~

~~**Mutual Agreement to Terminate**. If you and we mutually agree in writing to terminate this Agreement, you and we will be deemed to have waived any required notice period.~~

59.1. ~~21. POST-TERM OBLIGATIONS.~~Actions to be Taken

~~**Obligations of You and the Owners**. After the~~Upon termination~~,~~ or expiration ~~or Transfer of,~~ this Agreement~~, you and the Owners agree to~~ and all rights granted hereunder to you shall terminate and you shall immediately, at your own expense:

(a) Cease to operate your Franchised Business and cease all use of the Marks and the System, unless we instruct you otherwise in connection with our exercise of our option to purchase your Franchised Business under Section 13.3;

(b) ~~(i)~~ Remove all ~~wraps, trade dress, phone numbers and Marks from your service vehicle;~~materials bearing the Marks from all equipment, service vehicles, and any and all other supplies and equipment, and take all other actions we designate to avoid association between you and your assets and us, the Softroc® brand and System, unless we instruct you otherwise in connection with our exercise of our option to purchase your Franchised Business under Section 60;

~~(ii) immediately cease to use the Intellectual Property;~~

(c) Cease to represent to the public or hold yourself out as a present or former franchisee of ours, and take all action as may be necessary to cancel or assign to us, at our option, any assumed name or equivalent registration filed with state, city or county authorities which contains the name "Softroc®" or any other Mark;

(d) ~~(iii)~~ Pay all sums owing to us ~~all~~and any affiliate under this Agreement and/or any other past due amounts ~~that you owe~~owing to us or our affiliates;

~~(iv) comply with all covenants described in Section 14 that apply after the expiration, termination or Transfer of this Agreement or the disposal of an ownership interest by an Owner;~~

(e) ~~(v)~~ Return ~~all copies of the Manual, or any portions thereof, as well as all signs, sign faces, brochures, advertising and promotional materials, forms, and any other materials bearing or containing any~~

~~of the Marks, Copyrights or other identification relating to a Softroc Business, unless we allow you to transfer such items to an approved transferee;~~ to us or destroy, as we direct, the Confidential Operations Manual and all other Confidential Information, including records, files, brochures, agreements, customer lists and data, and any and all other materials provided by us to you relating to the operation of your Franchised Business;

(f) Cease using and, at our direction, either assign to us or deactivate any Contact Information and/or Online Presence that you used to operate your Franchised Business and/or that displays any of the Marks, in each case as we designate;

(g) Pay us a reasonable a deposit or hold-back, post a bond, or offer another form of financial assurance to us to support any Service Warranties offered by your Franchised Business prior to termination or expiration, which we may retain and preserve until such time as the Service Warranties are satisfied or have expired, as we determine; and

(h) Comply with all other System Standards we establish (and all applicable laws) in connection with the closure and de-identification of your Franchised Business, including as it relates to disposing of personally identifiable and other protected classes of information and data, in any form, in your possession or the possession of any of your employees.

If you fail to take any of the actions or refrain from taking any of the actions described above, we may take whatever action and sign whatever documents we deem appropriate on your behalf to cure the deficiencies. You must reimburse us for all costs and expenses we incur in correcting any such deficiencies. You hereby appoint us your true and lawful attorney-in-fact to take such actions and execute such documents on your behalf as may be required to affect the foregoing purposes.

~~(vi) cancel all fictitious or assumed name registrations relating to your use of any of the Marks;~~

~~(vii) provide us with a list of all of your current, former and prospective customers;~~

~~(viii) assign all customer contracts to us (unless we allow you to transfer those contracts to an approved transferee);~~

~~(ix) notify all telephone companies, listing agencies and domain name registration companies (collectively, the "Agencies") of the termination or expiration of your right to use: (a) the telephone numbers and/or domain names, if applicable, related to the operation of your Business; and (b) any regular, classified or other telephone directory listings associated with the Marks (you hereby authorize the Agencies to transfer such telephone numbers, domain names and listings to us and you authorize us, and appoint us and any officer we designate as your attorney-in-fact to direct the Agencies to transfer the telephone numbers, domain names and listings to us if you fail or refuse to do so); and~~

~~(x) provide us with satisfactory evidence of your compliance with the above obligations within 30 days after the effective date of the termination, expiration or Transfer of this Agreement.~~

59.2. ~~21.2.~~ Final ~~Payment~~Payments

~~.~~ Within ~~30~~5 business days ~~after~~following expiration or termination of this Agreement, you must pay us a final payment ~~("Final Payment")~~ in an amount calculated as the product of your Accounts Receivable (defined ~~as amounts due to you for services performed prior to~~below) as of the date of expiration or termination~~)~~, multiplied by 70%, multiplied by ~~9%~~the aggregated rate of your Royalty Fee and Brand Fund Contribution as of the date of termination or expiration, as applicable. Such amount is payable in lieu of the Royalty Fees and Brand Fund Contributions that would otherwise be payable on ~~Gross Sales~~ Collected Gross Revenue after the date of expiration or termination. The parties acknowledge and agree that ~~the Final~~such payment represents a reasonable estimation of future Collected Gross ~~Sales~~Revenue on your Accounts Receivable as of the date of expiration or termination, and is not a penalty. ~~To~~ "Accounts Receivable" means any and all outstanding revenue due to you for services performed by your Franchised Business.

To secure payment of the final ~~Payment~~payments described in this Section 13.2 and all other amounts due under this Agreement, you hereby grant to us a security interest in, and collaterally assign to us all of ~~your~~our rights and interests to, your Accounts Receivable and the proceeds thereof. If we exercise our rights under this Section ~~21.2~~13.2.2, we ~~shall~~will have the exclusive right to contact your customers for collection purposes, and do all other things appropriate or necessary to collect the Accounts Receivable. We ~~shall~~will have the right to retain from collected amounts ~~9% of the Gross Sales, representing~~any applicable Royalty Fees and Brand Fund Contributions due and owing thereon, and to reimburse ~~ourselves for~~us and our affiliates and representatives, all collection costs including~~, without limitation,~~ collection agency fees, attorneys' fees, and court costs. ~~Collection costs will be determined in the aggregate, without allocation to specific collected amounts~~We will remit any balance in excess of such retained amounts to you within 30 days of collection.

~~**Liquidated Damages**. In addition to any other claims we may have (other than claims for lost future royalty fees or brand fund contributions), if we terminate this Agreement based on your default or if you terminate this Agreement or cease operating in violation of its terms, you must pay us liquidated damages calculated as an amount equal to (a) the product of your Average Monthly Fees multiplied by the lesser of (i) 24 months, or (ii) the number of full months remaining under the Term, (b) discounted to present value using a 7% discount factor. "Average Monthly Fees" means the sum of the total royalty fees and brand fund contributions for the 12-month period immediately preceding termination, divided by 12. If you have operated the Business less than 12 months as of the date of termination or cessation of operations, as applicable, then "Average Monthly Fees" means total royalty fees and brand fund contributions for the period that begins on your opening date and ends on the date of termination / cessation of operations, divided by the number of months in the period. You acknowledge and agree that the amount of liquidated damages determined in accordance with the preceding formula reasonably represents our monetary losses of royalty fees and brand fund contributions resulting from the termination of this Agreement and is not a penalty.~~

If you terminate this Agreement in any manner other than Section 12.3, or if we terminate this Agreement due to your default, the parties acknowledge and agree that it would be difficult, if not impossible, to determine the amount of damages that we would suffer due to the loss or interruption of the revenue we otherwise would have otherwise derived through the remainder of the term of this Agreement. Therefore, you and we hereby agree that a reasonable estimation of such damages, less any

cost savings we might have experienced, is an amount equal to the net present value of the Royalty Fees and Brand Fund Contributions that would have become due had this Agreement not been terminated, from the date of termination until the earlier of: (a) 2 years following the date of termination; or (b) the scheduled expiration of the term of this Agreement. For the purposes of this Section 13.2.3, Royalty Fees and Brand Fund Contributions will be calculated based on your average monthly Collected Gross Revenue during the 12 full calendar months immediately preceding the termination date; provided, that if your Franchised Business was not operating for a full 12 months as of the termination, such calculations will be based on the average monthly Collected Gross Revenue of all Softroc Businesses during our fiscal year immediately preceding the termination date. You must pay us the foregoing amounts within 15 business days of termination of this Agreement. You and we agree that the calculation described in this Section 13.2.3 is a calculation only of the lost revenue to us from Royalty Fees and Brand Fund Contributions based on the early termination, and that nothing herein shall preclude or limit us from proving and recovering any other damages caused by your breach of the Agreement.

60. Our Option to Purchase Certain Business Assets

We have the right (but not the obligation), for a period of 30 days after termination or expiration of this Agreement, to purchase any or all assets of your Franchised Business including improvements, service vehicles, service tools and equipment, supplies and other inventory or equipment. The purchase price for the assets will be equal to their depreciated book value, excluding any value attributable to the Marks, the System, and/or participation in our franchise system. If we and you cannot agree on fair market value, fair market value will be determined by an independent accredited appraiser we appoint, which appraiser will be bound by the criteria for the purchase price described herein, and you and we will share equally the cost of such appraiser. If we elect to exercise our option to purchase any or all assets of your Franchised Business, we have the right to set off all amounts due from you or your affiliates to us or our affiliates, if any, against the purchase price. If we purchase any or all assets of your Franchised Business, we are entitled to all customary warranties and representations, including representations and warranties as to ownership and condition of and title to assets; liens and encumbrances on assets; validity of contracts and agreements; and liabilities affecting the assets, contingent or otherwise. We have the unrestricted right to assign our option to purchase.

60.1. ~~22. DISPUTE RESOLUTION~~Assumption of Management

~~. Except as otherwise provided below, the parties agree to submit all claims, disputes and disagreements, including any matter pertaining to the validity, enforcement or interpretation of this Agreement or issues relating to the offer and sale of the franchise or the relationship between the parties (a "Dispute") to mediation before a mutually-agreeable mediator prior to litigation. All mediation shall be conducted in the county in which we maintain our principal place of business at the time the Dispute arises (currently, Dallas County, Texas). Any Dispute involving claims alleging a breach of Section 14 and/or Section 17 (referred to as "Excluded Claims") will not be subject to mediation unless otherwise agreed to by both parties. If (a) a Dispute is not successfully resolved by mediation within 60 days after either party makes a demand for mediation or (b) the Dispute involves an Excluded Claim, then either party may file a lawsuit in any state or federal court of general jurisdiction in the county in which we maintain our principal place of business at the time the Dispute arises and each party irrevocably submits to the jurisdiction of such courts and waives any objections it may have to either the jurisdiction or venue of such courts. The parties hereby express their clear~~

~~and unequivocal intent that a court, rather than a mediator, shall have exclusive jurisdiction to decide the threshold issue of whether a Dispute involves an alleged Excluded Claim (i.e., whether there are any claims alleging a breach of Section 14 and/or Section 17). If we or you must enforce this Agreement in a judicial proceeding, the substantially prevailing party will be entitled to reimbursement of its costs and expenses, including reasonable accounting and legal fees. In addition, if you breach any term of this Agreement or any other agreement with us or an affiliate of ours, you agree to reimburse us for all reasonable legal fees and other expenses we incur relating to such breach, regardless of whether the breach is cured prior to the commencement of any dispute resolution proceedings. UNLESS PROHIBITED BY APPLICABLE LAW, ANY DISPUTE (OTHER THAN FOR PAYMENT OF MONIES OWED OR A VIOLATION OF SECTION 14 OR SECTION 17) MUST BE BROUGHT BY FILING A WRITTEN DEMAND FOR MEDIATION WITHIN ONE (1) YEAR FOLLOWING THE CONDUCT, ACT OR OTHER EVENT OR OCCURRENCE GIVING RISE TO THE CLAIM, OR THE RIGHT TO ANY REMEDY WILL BE DEEMED FOREVER WAIVED AND BARRED. WE AND YOU IRREVOCABLY WAIVE: (a) TRIAL BY JURY; AND (b) THE RIGHT TO LITIGATE ON A CLASS ACTION BASIS, IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THE PARTIES. YOU FURTHER AGREE THAT THE MAXIMUM DAMAGES RECOVERABLE BY YOU SHALL BE LIMITED TO A REFUND OF YOUR INITIAL FRANCHISE FEE AND ROYALTY FEES PAID TO US.~~

We have the right but not the obligation to assume management of your Franchised Business, or to appoint a designee to assume its management, for any period of time we deem appropriate, if: (1) you abandon or fail actively to operate your Franchised Business; (2) you fail to comply with any provision of this Agreement or any System Standard and do not cure the failure within the time period we specify in our notice to you; or (3) this Agreement expires or is terminated and we are transitioning your Franchised Business' operations to us or another person we designate, or determining whether to do so. All funds from your Franchised Business' operation while it is under our or our designee's management will be kept in a separate account, and all expenses will be charged to such account. If we or our designee assume your Franchised Business' management, you agree to pay us (in addition to the Royalty Fee, Brand Fund Contributions, and other amounts due to us or our affiliates) our then-current fee for such management services, plus our or our designee's direct out-of-pocket costs and expenses.

If we or our designee assume your Franchised Business' management, you acknowledge that we or our designee will have a duty to utilize only reasonable efforts and will not be liable to you or your owners for any debts, losses, or obligations your Franchised Business incurs, or to any of your creditors for any supplies, products, or other assets or services your Franchised Business purchases, while we or our designee manage it. Our decision to assume management of your Franchised Business, or to appoint a third party to assume management of your Franchised Business, will not affect our right to terminate this Agreement under Section 12.2. Your indemnification obligations set forth under Section 16.2 will

continue to apply during any period that we or our designee assume your Franchised Business' management.

61. Survival of Certain Provisions

All obligations under this Agreement, which expressly or by their nature survive the expiration or termination of this Agreement, shall continue in full force and effect subsequent to and notwithstanding their expiration or termination and until satisfied or by their nature expire, including the following provisions, which the parties agree will survive termination or expiration hereof, without limiting the generality of the foregoing: Section 5.1 (Intellectual Property), Section 6 (Covenants), Section 11.15 (Service Warranties), Section 13 (Rights and Duties Upon Expiration or Termination), Section 16 (Relationship and Indemnification), Section 17 (General Conditions and Provisions), and Section 18 (Dispute Resolution).

62. ~~23. YOUR REPRESENTATIONS~~TRANSFERABILITY OF INTEREST

~~. YOU HEREBY REPRESENT THAT:~~

~~(a) YOU HAVE NOT RECEIVED ANY WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, AS TO THE POTENTIAL VOLUME, PROFITS OR SUCCESS OF THE BUSINESS CONTEMPLATED BY THIS AGREEMENT, EXCEPT FOR ANY INFORMATION DISCLOSED IN THE FRANCHISE DISCLOSURE DOCUMENT;~~

63. Transfer by Franchisor

This Agreement and all rights and duties hereunder are fully transferable in whole or in part by us and such rights will inure to the benefit of any person to whom transferred; provided, however, that with respect to any assignment resulting in the subsequent performance by the assignee of our functions, the assignee shall assume our obligations hereunder and we will thereafter have no liability for the performance of any obligations contained in this Agreement. You agree that we have the right to delegate the performance of any portion or all of our obligations under this Agreement to third party designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations; provided, that such delegation will not relieve our obligations under this Agreement.

64. Transfer by Franchisee

Your rights and duties as set forth in this Agreement, and the franchise herein granted, are personal to you (or your Owners), and we have entered into this Agreement in reliance upon your (and your Owners) personal or collective skills, experience, character, aptitude, and financial ability. Accordingly, without our prior written approval, neither you nor any Owner may, voluntarily or involuntarily, directly or indirectly, sell, assign, convey, gift, give away, pledge, mortgage, sublicense, or otherwise transfer or encumber, whether by operation of law or otherwise: (a) this Agreement or any interest in this Agreement, (b) the franchise granted hereby, (c) all or substantially all of the assets of your Franchised Business, or (d) any direct or indirect ownership interest in you, your franchise rights under this Agreement, or your Franchised Business, including any right to share in the governance or profits thereof. A transfer of your Franchised Business' ownership, possession, or control, or substantially

all of its assets, may be made only with a transfer of this Agreement. Any purported transfer without such approval shall be null and void and shall constitute a material breach of this Agreement.

We will review each transfer in our sole discretion, and may condition our approval on any factors we determine, including that:

(a) All obligations owed by you or your affiliates to us and our affiliates, and all other outstanding obligations relating to your Franchised Business, are fully paid and satisfied;

(b) You ~~HAVE NO KNOWLEDGE OF ANY REPRESENTATIONS BY US OR ANY OF OUR OFFICERS, DIRECTORS, MEMBERS, EMPLOYEES OR REPRESENTATIVES ABOUT THE BUSINESS CONTEMPLATED BY THIS AGREEMENT THAT ARE CONTRARY TO THE TERMS~~and your Owners have materially complied with this Agreement during the term hereof, and you and your Owners are not at the time you request consent for the transfer (or at any time between the date of such request and the time of the transfer) in violation of any term of this Agreement ~~OR THE FRANCHISE DISCLOSURE DOCUMENT~~;

(c) You ~~RECEIVED (1) AN EXACT COPY OF THIS AGREEMENT AND ITS ATTACHMENTS AT LEAST SEVEN (7) CALENDAR DAYS PRIOR TO THE DATE ON WHICH THIS AGREEMENT IS EXECUTED; AND (2) OUR FRANCHISE DISCLOSURE DOCUMENT AT THE EARLIER OF (A) 14 CALENDAR DAYS BEFORE YOU SIGNED A BINDING AGREEMENT OR PAID ANY MONEY TO US OR OUR AFFILIATES OR (B) AT SUCH EARLIER TIME IN THE SALES PROCESS THAT YOU REQUESTED A COPY;~~and your Owners, and the prospective transferee and its owners, each sign all of the documents we are then requiring in connection with a transfer, in a form satisfactory to us, including a general release of any and all claims (except for claims which cannot be released or waived pursuant to an applicable law) against us and our affiliates;

(d) You ~~ARE AWARE THAT OTHER FRANCHISEES MAY OPERATE UNDER DIFFERENT FORMS OF AGREEMENT AND THAT OUR OBLIGATIONS AND RIGHTS WITH RESPECT TO OUR FRANCHISEES MAY DIFFER MATERIALLY IN CERTAIN CIRCUMSTANCES;~~ comply with our then-current transfer procedures, including that we may request you to submit an application in writing, and/or that the prospective transferee and its owners satisfy certain application and certification requirements;

~~(e) YOU ARE AWARE THAT WE MAY HAVE NEGOTIATED TERMS OR OFFERED CONCESSIONS TO OTHER FRANCHISEES AND WE HAVE NO OBLIGATION TO OFFER YOU THE SAME OR SIMILAR NEGOTIATED TERMS OR CONCESSIONS; AND~~

(e) We determine that the prospective transferee, its owners, and representatives (including, its designated manager, if applicable) satisfy our criteria for new franchisees, including that we have approved any premises that will be used by the prospective transferee to operate your Franchised Business;

(f) We determine that the terms of the transfer are not detrimental or unfavorable to your Franchised Business or our rights, including that the terms of any financing will not adversely affect the operation of your Franchised Business, and/or that any obligations between the buyer and seller being subordinate to the franchise obligations owed to us or our affiliates;

(g) The prospective transferee expressly assumes in writing, in a form we approve, any and all outstanding Service Warranties for your Franchised Business;

(h) The prospective transferee and is owners execute the form of franchise agreement associated agreements, instruments, and documents then being required for new franchisees and owners, as applicable, which may be substantially different from this Agreement, and may include a different Royalty Fee, Brand Fund Contribution rates and other material provisions; provided, the initial term of such franchise agreement shall be the remaining term of this Agreement, and all renewal terms shall be governed by any remaining renewal terms hereunder, and the Market Territory shall be the same as the Market Territory granted pursuant to this Agreement;

(i) You, or the prospective transferee, pay us a transfer fee in the amount stated in the Summary Page;

(j) The prospective transferee and its key personnel complete, to our satisfaction, our then-current initial training program; and

(k) ~~(f)~~ You ~~HAVE CONDUCTED AN INDEPENDENT INVESTIGATION OF THE BUSINESS CONTEMPLATED BY THIS AGREEMENT AND RECOGNIZE THAT IT INVOLVES BUSINESS RISKS, MAKING THE SUCCESS OF THE VENTURE LARGELY DEPENDENT UPON YOUR OWN BUSINESS ABILITIES, EFFORTS AND JUDGMENTS, AND THE SERVICES OF YOU AND THOSE YOU EMPLOY.~~provide us the evidence we reasonably request to show that appropriate measures have been taken to effect the transfer as it relates to the operation of your Franchised Business, including by transferring all necessary and appropriate business licenses, insurance policies, and material agreements, or obtaining new business licenses, insurance policies and material agreements.

We may review all information regarding your Franchised Business that you give the prospective transferee, correct or supplement any information that we believe is inaccurate or incomplete, and give the prospective transferee copies of any reports regarding your Franchised Business. Our consent to a transfer pursuant to this Section is not a representation of the fairness of the terms of any contract between you and the prospective transferee, a guarantee of your Franchised Business' or prospective transferee's prospects of success, or a waiver of any claims we have against you or your Owners, or of our right to demand the prospective transferee's full compliance with this Agreement.

Notwithstanding anything to the contrary, if you enter into this Agreement as an individual, if you and your Owners are in full compliance with this Agreement, you may transfer this Agreement to an Business Entity in which you maintain management control, and of which you own and control 100% of all outstanding ownership, beneficial, and voting interests; provided, that (i) that Business Entity will own all of your Franchised Business' assets, and will conduct all of your Franchised Business' business, (ii) that Business Entity will conduct no business other than your Franchised Business, (iii) that Business Entity must expressly assume all of your obligations under this Agreement and all Service Warranties, (iv) you provide us with all organizational documents for the Business Entity that we require, and (v) you reimburse us for any direct costs we incur in processing such transfer, including attorneys' fees. You agree to remain personally liable under this Agreement as if the transfer to the Business Entity did not occur, including by signing a personal guaranty of the obligations of such Business Entity. You must also sign transfer documents satisfactory to us to document the transfer, which may include a release of any

and all claims by you and your affiliates (except for claims which cannot be released or waived pursuant to an applicable franchise law statute) against us and our affiliates.

You may not use the Marks to advertise or solicit offers for any prospective transfer that would require our consent under this Section 14.2, including that you may not list any interests or assets the transfer of which would require our consent under this Section 14.2 for sale with any broker, listing agent, or listing directory without our approval.

Upon the death or incapacity of you (if you are an individual) or any Owner (if you are a Business Entity), the appropriate representative of such person (whether administrator, personal representative or trustee) shall, within a reasonable time not exceeding 180 days following such event, transfer such individual's interest in your Franchised Business or in you to a third party approved by us pursuant to the terms of this Agreement. Such transfers, including transfers by will or inheritance, shall be subject to the conditions for assignments and transfers contained in this Agreement, unless prohibited by applicable law. During such 180-day period, your Franchised Business must remain at all times under the primary management of a Designated Manager who we have approved. For the purposes hereof, "incapacity" means the inability of such person to fulfill their obligations under this Agreement, as applicable, including by reason of any continuing physical, mental or emotional condition, chemical dependency or other limitation.

65. Right of First Refusal

If you, or any of your Owners, proposes to conduct any transfer that would require our consent under Section 14.2, you agree obtain and deliver to us a *bona fide*, executed written offer or proposal from the prospective transferee, along with all pertinent documents including any contract or due diligence materials. The offer must apply only to an approved sale of the assets or interests listed above and may not include any other property or rights of you or any of your owners. The offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price.

We will have a right of first refusal, exercisable by written notice to you, to purchase the offered assets or interest for the price and on the same terms and conditions contained in such offer communicated to you; provided, that: (a) we notify you within 30 days after we receive a copy of the offer and all other documents and information we have requested that we are electing to exercise our right of first refusal hereunder; (b) we may substitute cash for the fair market value of any form of payment proposed in such offer; (c) our credit shall be deemed at least equal to the credit of any proposed buyer; (d) we receive from you all customary representations and warranties from the seller of the assets or such interests, including relating to title, ownership, condition, encumbrances, liabilities, and authority. After exercising this right of first refusal, we will have up to 60 days to close the purchase. We have the unrestricted right to assign any or all of this right of first refusal.

If we do not exercise our right of first refusal on the terms above, the offer or proposal may be accepted by you or any of your Owners, subject to our prior written approval as required under Section 14.2. Should the sale fail to close the transaction within 120 days after the offer is delivered to us, or if there is a material change to the terms of the sale (which you agree to notify us of promptly), we will have an additional right of first refusal in accordance with this Section.

66. OWNERS OF FRANCHISEE

67. Your Ownership Information

You represent and warrant to us that the information on Exhibit 2 is an accurate and complete description of: (a) each person who signs this Agreement as franchisee, if you are the sole proprietorship; or (b) each person who holds a direct or indirect ownership, voting, or beneficial interest in you, if you are a Business Entity (each an "**Owner**").

68. Your Business Entity

If you enter this Agreement as a corporation, limited liability company, limited partnership or other legal entity or organization (each a "**Business Entity**"), you represent and warrant to us that you are validly existing and in good standing under the laws of the state of your incorporation or formation, and have the authority to execute this Agreement, and perform your obligations under this Agreement. You agree to maintain organizational documents at all times that state that this Agreement restricts the issuance and transfer of any of your ownership interests, and all certificates and other documents representing your ownership interests will bear a legend referring to this Agreement's restrictions.

If you are a Business Entity, you must identify one of your Owners who is a natural person with at least a 10% direct or indirect ownership interest and voting power in you (your "**Designated Owner**"). We must approve the person that will act as your Designated Owner. Your Designated Owner will be authorized to deal with us on your behalf for all matters whatsoever that may arise with respect to your Franchise Agreement. Any decision made by the Designed Owner will be final and binding on you and we will be entitled to rely solely on the decision of the Designated Owner without discussing the matter with any other party. We will not be held liable for any actions based on any decision or actions of the Designated Owner. The person acting as your Designated Owner must have full corporate power and authority to enter into the Franchise Agreement and any other documents to which you are a party, and to make binding decisions on your behalf.

69. Guaranty by Owners

Each of your Owners and their respective spouses must execute a guaranty in the form we prescribe, agreeing to be personally bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between you and us and/or our affiliates. Our current form of guaranty is attached hereto as Exhibit 1.

70. RELATIONSHIP AND INDEMNIFICATION

71. Relationship

This Agreement is purely a contractual relationship between the parties and does not appoint or make you an agent, representative, joint venturer, partner, or employee of ours for any purpose whatsoever. You may not represent or imply to third parties that you are an agent of ours, and you are in no way authorized to make any contract, agreement, warranty, or representation on our behalf, or to create any obligation, express or implied, on our behalf. During the term of this Agreement, you shall hold yourself out to the public only as a franchisee and an owner of your Franchised Business operating your Franchised Business pursuant to a franchise from us. Under no circumstances shall we be liable for any act, omission, contract, debt, nor any other obligation of yours, or for any injuries to persons or property resulting from your Franchised Business. Any third-party contractors and vendors retained

by you are independent contractors of yours alone. This Agreement does not establish a fiduciary relationship between the parties.

72. Indemnification

During and after the term of this Agreement, you hereby agree to hold harmless and indemnify us, our affiliate, and all of our and their owners, holders of a legal or beneficial interest, officers, directors, executives, managers, employees, agents, successors and assigns from and against all losses, damages, fines, costs, expenses or liability (including reasonable attorneys' fees) incurred in connection with any action, suit, demand, claim, obligations, investigation or proceeding, or any settlement thereof, which arises from or is based upon your, your Owners', your affiliates', or your or their employees' or other representatives': (a) ownership or operation of your Franchised Business; (b) violation, breach or asserted violation or breach of any federal, state or local law, regulation or rule; (c) breach of any representation, warranty, covenant, or provision of this Agreement or any other agreement between you and your affiliates and us or our affiliates; and/or (d) acts, errors, omissions, negligence, or misconduct of any kind. Each indemnified party may defend any claim against it at your expense (including choosing and retaining its own legal counsel) and agree to settlements or take any other remedial, corrective, or other actions. An indemnified party need not seek recovery from any insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim for indemnity.

73. ~~24.~~ GENERAL CONDITIONS AND PROVISIONS

~~**Governing Law**. Except as governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051, et seq.), this Agreement and the franchise relationship shall be governed by the laws of the State of Texas (without reference to its principles of conflicts of law), but any law of the State of Texas that regulates the offer and sale of franchises or business opportunities or governs the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Section.~~

~~**Relationship of the Parties**. Nothing in this Agreement creates a fiduciary relationship between you and us or is intended to make either party a general or special agent, legal representative, subsidiary, joint venture, partner, employee or servant of the other for any purpose. During the Term, you must conspicuously identify yourself at your base of operations, and in all dealings with third parties, as a franchisee of ours and the independent owner of your Business. You agree to place any notice of independent ownership we specify on all forms, stationery, advertising, business cards and other materials we require. Neither party is permitted to make any express or implied agreement, warranty or representation, or incur any debt, in the name of or on behalf of the other, or represent that our relationship is other than franchisor and franchisee. In addition, neither party will be obligated by or have any liability under any agreements or representations made by the other that are not expressly authorized by this Agreement.~~

~~**Severability and Substitution**. Each section, subsection, term and provision of this Agreement, and any portion thereof, shall be considered severable. If any applicable and binding law imposes mandatory, non-waivable terms or conditions that conflict with a~~

~~provision of this Agreement, the terms or conditions required by such law shall govern to the extent of the inconsistency and supersede the conflicting provision of this Agreement. If a court concludes that any promise or covenant in this Agreement is unreasonable and unenforceable: (a) the court may modify such promise or covenant to the minimum extent necessary to make such promise or covenant enforceable; or (b) we may unilaterally modify such promise or covenant to the minimum extent necessary to make such promise or covenant enforceable.~~

73.1. ~~24.4. Waivers~~No Waiver

No failure of ours to exercise any power reserved to it hereunder, or to insist upon strict compliance by you with any obligation or condition hereunder, and no custom or practice of the parties in variance with the terms hereof, shall constitute a waiver of our right to demand exact compliance with the terms of this Agreement. Waiver by us of any particular default by you shall not be binding unless in writing and executed by us and shall not affect nor impair our right with respect to any subsequent default of the same or of a different nature. Subsequent acceptance by us of any payment(s) due shall not be deemed to be a waiver by us of any breach by you of any terms, covenants or conditions of this Agreement. Any waiver granted will be without prejudice to any other rights we or you have, will be subject to continuing review, and may be revoked at any time and for any reason effective on delivery of 10 days' prior written notice.

~~. Each party may waive or reduce any obligation of or restriction upon the other in writing. Any such waiver shall be without prejudice to any other rights the party may have. Neither party shall be deemed to have waived or impaired any right, power or option reserved by this Agreement (including the right to demand exact compliance with every term, condition and covenant in this Agreement or to declare any breach of this Agreement to be a default and to terminate the franchise before the expiration of its term) by virtue of: (a) any custom or practice of the parties at variance with the terms of this Agreement; (b) any failure, refusal or neglect by either party to exercise any right under this Agreement or to insist upon exact compliance by the other with its obligations under this Agreement, including any mandatory specification, standard, or operating procedure; (c) any waiver, forbearance, delay, failure or omission by us to exercise any right, power or option, whether of the same, similar or different nature, relating to other franchisees; or (d) our acceptance of any payments due from you after breach of this Agreement.~~ The following provision applies if you or the franchise granted hereby are subject to the franchise registration or disclosure laws in California, ~~Hawaii,~~ Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin: 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.

73.2. ~~24.5. Approvals~~Notices

All notices required or permitted under this Agreement shall be deemed received: (a) at the time delivered by hand to the recipient party (or to an officer, director, or partner of the recipient party); (b) on the day after transmission by email or other reasonably reliable electronic communication system, if received during ordinary business hours, otherwise the following business day; (c) the next

business day after being sent via guaranteed overnight delivery by a commercial courier service; or (d) five business days after being sent by Registered Mail, return receipt requested. All notices, payments, and reports required by this Agreement shall be sent to us or you at the address reflected on the Summary Page; except that it will always be deemed acceptable to send notice to you at the address of the Franchised Business Office. Either party may change its address by a written notice sent in accordance with this Section 17.2.

74. Entire Agreement

This Agreement, including its exhibits, constitutes the entire, complete, and fully integrated agreement between us and you concerning the subject matter hereof, and supersedes all prior representations, promises, and agreements. No amendment, change or variance from this Agreement shall be binding on either party unless memorialized in a writing executed by both parties. Nothing in this or any related agreement, however, is intended to disclaim any representations we made in the franchise disclosure document that we furnished to you.

~~. Whenever this Agreement requires our approval, you must make a timely written request for approval, and the approval must be in writing in order to bind us. Except as otherwise expressly provided in this Agreement, if we fail to approve any request for approval within the required period of time, we shall be deemed to have disapproved your request. If we deny approval and you seek legal redress for the denial, the only relief to which you may be entitled is to acquire our approval. You are not entitled to any other relief or damages for our denial of approval.~~

~~**Force Majeure**. Neither we nor you shall be liable for loss or damage or deemed to be in breach of this Agreement if our or your failure to perform our or your obligations results from any event of force majeure. Any delay resulting from an event of force majeure will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable under the circumstances. Notwithstanding the foregoing, "force majeure" will not: (a) relieve you of any payment obligations under this Agreement; or (b) excuse, or apply with respect to, any breaches resulting from an epidemic or pandemic of a contagious illness or disease or resulting from any economic or financial changes caused by such epidemic or pandemic, except for any government-mandated closures of your Business related to such epidemic or pandemic.~~

~~**Binding Effect**. This Agreement is binding upon the parties to this Agreement and their respective executors, administrators, heirs, assigns and successors in interest. Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity not a party to this Agreement; provided, however, that the additional insureds listed in Section 15.1 and the Indemnified Parties are intended third party beneficiaries under this Agreement with respect to Section 15.1 and Section 18, respectively.~~

74.1. ~~24.8. Integration~~Severability

Except as noted below, each paragraph, part, term and provision of this Agreement shall be considered severable. If any paragraph, part, term or provision herein is ruled to be unenforceable, unreasonable or invalid, such ruling shall not impair the operation of or affect the remaining portions, paragraphs, parts, terms and provisions of this Agreement, and the latter shall continue to be given full

force and effect and bind the parties; and such unenforceable, unreasonable or invalid paragraphs, parts, terms or provisions shall be deemed not part of this Agreement. If we determine that a finding of invalidity adversely affects the basic consideration of this Agreement, we have the right to, at our option, terminate this Agreement.

If each of the covenants contained in Section 6 is deemed unenforceable by virtue of its scope, but would be enforceable if modified, you and we agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity. You agree to be bound by any promise or covenant imposing the maximum duty the law permits which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement.

If any applicable and binding law of any jurisdiction requires more notice of this Agreement's termination or of our refusal to enter into a renewal franchise agreement than this Agreement requires, or some other action that this Agreement does not require, or any provision of this Agreement or any System Standard is invalid, unenforceable, or unlawful, the notice and/or other action required by the law, ordinance, rule or regulation will be substituted for the comparable provisions of this Agreement, and we may modify the invalid or unenforceable provision or System Standard to the extent required to be valid and enforceable or delete the unlawful provision in its entirety.

~~. THIS AGREEMENT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES AND MAY NOT, EXCEPT AS PERMITTED BY SECTION 12.2 AND SECTION 24.3, BE CHANGED EXCEPT BY A WRITTEN DOCUMENT SIGNED BY BOTH PARTIES. Any email correspondence or other form of informal electronic communication shall not be deemed to modify this Agreement unless such communication is signed by both parties and specifically states that it is intended to modify this Agreement. The attachment(s) are part of this Agreement, which, together with any Amendments or Addenda executed on or after the Effective Date, constitutes the entire understanding and agreement of the parties, and there are no other oral or written understandings or agreements between us and you about the subject matter of this Agreement. As referenced above, all mandatory provisions of the Manual are part of this Agreement. Any representations not specifically contained in this Agreement made before entering into this Agreement do not survive after the signing of this Agreement. This provision is intended to define the nature and extent of the parties' mutual contractual intent, there being no mutual intent to enter into contract relations, whether by agreement or by implication, other than as set forth above. The parties acknowledge that these limitations are intended to achieve the highest possible degree of certainty in the definition of the contract being formed, in recognition of the fact that uncertainty creates economic risks for both parties which, if not addressed as provided in this Agreement, would affect the economic terms of this bargain. Nothing in this Agreement is intended to disclaim any of the representations we made in the Franchise Disclosure Document.~~

~~**Covenant of Good Faith**. If applicable law implies into this Agreement a covenant of good faith and fair dealing, the covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement. Additionally, if applicable law implies the covenant, you agree that: (a) this Agreement (and the relationship of the parties inherent in this Agreement) grants us discretion to make decisions, take actions and/or refrain~~

~~from taking actions not inconsistent with our explicit rights and obligations under this Agreement that may favorably or adversely affect your interests; (b) we will use our judgment in exercising the discretion based on our assessment of our own interests and balancing those interests against the interests of our franchisees (including ourselves and our affiliates if applicable), but without considering your individual interests or the individual interests of any other particular franchisee; (c) we have no liability to you for the exercise of our discretion in this manner so long as the discretion is not exercised in bad faith; and (d) in the absence of bad faith, no trier of fact in any arbitration or litigation may substitute its judgment for our judgment so exercised.~~

~~**Rights of Parties are Cumulative**. The rights of the parties under this Agreement are cumulative and no exercise or enforcement by either party of any right or remedy under this Agreement will preclude any other right or remedy available under this Agreement or by law.~~

~~**Survival**. All provisions that expressly or by their nature survive the termination, expiration or Transfer of this Agreement (or the Transfer of an ownership interest in the franchise) shall continue in full force and effect subsequent to and notwithstanding its termination, expiration or Transfer and until they are satisfied in full or by their nature expire, including, without limitation, Section 13, Section 14, Section 0, Section 18, Section 21, Section 22 and Section 24.~~

74.2. ~~24.12.~~ Construction

All captions herein are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof. References in this Agreement to "we," "us," and "our," with respect to all of our rights and all of your obligations to us under this Agreement, include any of our affiliates with whom you deal. The term "affiliate" means any person or Business Entity directly or indirectly owned or controlled by, under common control with, or owning or controlling you or us. The term "control" means the power to direct or cause the direction of management and policies. The use of the term "including" in this Agreement, means in each case "including, without limitation." The term "person" means any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative, or other legal or functional entity.

75. Third-Party Beneficiaries

Except as expressly provided herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or Business Entity other than us or you, and our and your respective successors and assigns any rights or remedies under this Agreement.

~~. The headings in this Agreement are for convenience only and do not define, limit or construe the contents of the sections or subsections. All references to Sections refer to the Sections contained in this Agreement unless otherwise specified. All references to days in this Agreement refer to calendar days unless otherwise specified. The term "you" as used in this Agreement is applicable to one or more persons or an Entity, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine and the possessive.~~

~~**Time of Essence**. Time is of the essence in this Agreement and every term thereof.~~

75.1. ~~24.14. Counterparts~~Execution

~~.~~This Agreement may be ~~signed in multiple~~executed in one or more counterparts, each of which shall be deemed to be an original ~~and~~, but all of which together shall constitute ~~but~~ one ~~and the same document~~agreement. This Agreement and all other documents related to this Agreement may be executed by manual or electronic signature.

76. DISPUTE RESOLUTION

76.1. ~~24.15. Notice.~~Arbitration

~~All notices given under this Agreement must be in writing, delivered by hand, email (to the last email address provided by the recipient) or first class mail, to the following addresses (which may be changed upon 10 business days prior written notice):~~

~~YOU:~~ ~~As set forth in Part A of ATTACHMENT "A"~~

~~US:~~ ~~Softroc Global, LLC~~
~~2929 Carlisle St., Suite 100~~

All controversies, disputes, or claims between us or any of our affiliates (and our and their respective shareholders, officers, directors, agents, and employees), on the one hand, and you (and your owners, guarantors, affiliates, and employees), on the other hand, arising out of or related: (1) this Agreement or any other agreement between you (or any of your Owners) and us (or any of our affiliates); (2) our relationship with you or the franchise granted hereby; (3) the scope or validity of this Agreement or any other agreement between you (or any of your Owners) and us (or any of our affiliates) or any provision of any of such agreements (including the validity and scope of this arbitration provision, which we and you acknowledge is to be determined by an arbitrator, not a court); or (4) any System Standard, must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association (the "**AAA**"). The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the AAA's then current Commercial Arbitration Rules. All proceedings will be conducted at a suitable location chosen by the arbitrator that is within 50 miles of our (or our successor's or assign's, as applicable) then current principal place of business (currently, Dallas, Texas). All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). The interim and final awards of the arbitrator shall be final and binding upon each party, and judgment upon the arbitrator's awards may be entered in any court of competent jurisdiction.

The arbitrator has the right to award or include in his or her awards any relief which he or she deems proper, including money damages, pre- and post-award interest, interim costs and attorneys' fees, specific performance, and injunctive relief, provided that the arbitrator may not declare any of the trademarks owned by us or our affiliates generic or otherwise invalid, or award any punitive or exemplary damages against any party to the arbitration proceeding (we and you hereby waiving to the fullest extent permitted by law any such right to or claim for any punitive or exemplary damages against any party to

the arbitration proceeding). Further, at the conclusion of the arbitration, the arbitrator shall award to the prevailing party its attorneys' fees and costs.

In any arbitration proceeding, each party will be bound by the provisions of any applicable contractual or statutory limitations provision, whichever expires earlier. Each party must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding. Any claim which is not submitted or filed as required will be forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by any party.

Arbitration proceedings will be conducted on an individual basis. no arbitration proceeding may be: (i) conducted on a class-wide basis; (ii) commenced, conducted or consolidated with any other arbitration proceeding; (iii) joined with any separate claim of an unaffiliated third-party; or (iv) brought on behalf of any party by any association or agent. Notwithstanding the foregoing, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute, controversy or claim that otherwise would be subject to arbitration under this Section, then all parties agree that this arbitration clause shall not apply to that dispute, controversy or claim and that such dispute, controversy or claim shall be resolved in a judicial proceeding in accordance with the dispute resolution provisions of this Agreement.

In any arbitration arising as described in this Section, the arbitrator shall have full authority to manage any necessary exchange of information among the parties with a view to achieving an efficient and economical resolution. The parties may only serve reasonable requests for documents, which must be limited to documents upon which a party intends to rely or documents that are directly relevant and material to a significant disputed issue in the case or to the case's outcome. The document requests shall be restricted in terms of time frame, subject matter and persons or entities to which the requests pertain, and shall not include broad phraseology such as "all documents directly or indirectly related to." No interrogatories or requests to admit shall be propounded, unless the parties mutually agree.

The provisions of this Section are intended to benefit and bind certain third-party non-signatories. The provisions of this Section will continue in full force and effect and survive the expiration or termination of this Agreement. Any provisions of this Agreement below that pertain to judicial proceedings shall be subject to the agreement to arbitrate contained in this Section.

77. Injunctive Relief

Nothing in this Agreement, including the provisions of Section 18.1, bars our right to obtain specific performance of the provisions of this Agreement and injunctive or other equitable relief against threatened conduct that will cause us, the Marks and/or the System loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and injunctions. You agree that we may obtain such injunctive relief in addition to such further or other relief as may be available at law or in equity. You agree that we will not be required to post a bond to obtain injunctive relief and that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby).

78. Cost of Enforcement or Defense

The prevailing party in any dispute or proceeding shall be entitled to recover from the other

party all damages, costs and expenses, including mediation, arbitration and court costs and reasonable attorneys' fees, incurred by the prevailing party in connection with such dispute or proceeding.

79. Choice of Law

All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et. seq.). Except to the extent governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et. seq.), the U.S. Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§1051 et. seq.), or other federal law, this Agreement (or any other agreement between us and our affiliates and you and your affiliates), the Franchise, and all claims arising from the relationship between you and us will be governed by the laws of the State of Texas, without regard to its conflict of laws rules; provided, however, that any state law regulating the offer or sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are independently met.

80. Consent to Jurisdiction

Subject to Section 18.1, we and you agree that that all controversies, disputes, or claims between us or any of our affiliates (and our and their respective shareholders, officers, directors, agents, and employees), on the one hand, and you (and your owners, guarantors, affiliates, and employees), on the other hand, arising out of or related to this Agreement or any other agreement between you (or any of your Owners) and us (or any of our affiliates) or our relationship with you must be commenced exclusively in state or federal court closest to our (or our successor's or assign's, as applicable) then-current principal place of business (currently, Dallas, Texas), and the parties irrevocably consent to the jurisdiction of those courts and waive any objection to either the jurisdiction of or venue in those courts. Nonetheless, the parties agree that any of us may enforce any arbitration orders and awards in the courts of the state or states in which you or your Franchised Business or Market Territory is located.

81. Cumulative Rights and Remedies

No right or remedy conferred upon or reserved to us or you by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be in addition to every other right or remedy.

82. Limitation of Claims

EXCEPT FOR CLAIMS ARISING FROM YOUR NON-PAYMENT OR UNDERPAYMENT OF AMOUNTS YOU OWE US, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT (OR ANY OTHER AGREEMENT BETWEEN US AND OUR AFFILIATES, AND YOU AND YOUR AFFILIATES), THE FRANCHISE, AND ALL OR THE RELATIONSHIP BETWEEN US AND YOU WILL BE BARRED UNLESS A PROCEEDING IS COMMENCED IN ACCORDANCE WITH THIS AGREEMENT WITHIN ONE (1) YEAR FROM THE DATE ON WHICH THE PARTY ASSERTING THE CLAIM KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THE CLAIMS.

83. Limitation of Damages

EXCEPT FOR YOUR OBLIGATION TO INDEMNIFY US FOR THIRD-PARTY CLAIMS UNDER SECTION 16.2, WE AND YOU (AND YOUR OWNERS) WAIVE TO THE FULLEST

EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN US AND YOU, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

84. Waiver of Jury Trial and Punitive Damages

EXCEPT FOR YOUR OBLIGATION TO INDEMNIFY US FOR THIRD-PARTY CLAIMS UNDER SECTION 16.2, WE AND YOU (AND YOUR OWNERS) WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN US AND YOU, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS. WE AND YOU IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING, BROUGHT BY EITHER OF US.

85. Class Action Waiver

WE AND YOU AGREE THAT ANY PROCEEDING WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND THAT ANY PROCEEDING BETWEEN US AND ANY OF OUR AFFILIATES, OR OUR AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES, ON THE ONE HAND, AND YOU (OR YOUR OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES), ON THE OTHER HAND, MAY NOT BE: (I) CONDUCTED ON A CLASS-WIDE BASIS, (II) COMMENCED, CONDUCTED OR CONSOLIDATED WITH ANY OTHER PROCEEDING, (III) JOINED WITH ANY CLAIM OF AN UNAFFILIATED THIRD-PARTY, OR (IV) BROUGHT ON YOUR BEHALF BY ANY ASSOCIATION OR AGENT.

[*Signature Page to Follow*]

~~Dallas, Texas 75204~~

~~Notice shall be considered given at the time delivered by hand, or one (1) business day after sending by email or comparable electronic system, or three (3) business days after placed in the mail, postage prepaid, by certified mail with a return receipt requested.~~

IN WITNESS WHEREOF, the parties ~~to this Agreement have~~hereto, intending to be legally bound hereby have duly executed this Agreement ~~effective as of the Effective Date first above written~~.

FRANCHISOR:

SOFTROC GLOBAL, LLC~~, a Delaware limited liability company~~

~~By~~Sign: _____
Name: _____
~~Its~~Title: _____
Dated: _____
~~By:~~ _____
~~Name:~~ _____
~~Its:~~ _____

~~YOU (If you are an entity)~~**FRANCHISEE**:

_____
_____,
a(~~n~~insert legal name)_____
~~**YOU (If you are not an entity):**~~
_____
_____

Sign: _____
Name: _____

_____
Name: _____

_____
_
~~Name~~Title:
_____
_____

_____
~~Name~~Dated:
_____
_____

~~ATTACHMENT "A"~~

EXHIBIT 1 TO THE FRANCHISE AGREEMENT

~~DEAL TERMS~~

~~A. Franchisee Details.~~

~~Name of Franchisee: [_____]~~

~~Is the franchisee one or more natural persons signing in their individual capacity? Yes: _____ No: _____~~

~~Type of Entity and State of Formation* (if applicable): [_____]~~

~~** If the franchisee is a business entity, each natural person holding a direct or indirect ownership interest in the business entity must sign the Franchise Owner Agreement concurrently with the execution of this Agreement.*~~

~~The following table includes the full name of each natural person holding a direct or indirect ownership interest in the franchise (or the franchisee business entity if applicable) along with a description of their ownership interest.~~

~~Owner's Name~~	~~% Ownership Interest~~	~~Direct or Indirect (if indirect, describe nature of interest)~~

~~Notice Address: [_____]~~

UNLIMITED GUARANTY AND PERSONAL UNDERTAKING

THIS UNLIMITED GUARANTY AND PERSONAL UNDERTAKING (this "**Guaranty**") is executed and delivered to Franchisor to be effective as of the effective date of the Franchise Agreement (defined below). Each of the undersigned make the following representations and warranties to Franchisor, and agree to the following:

1. I have read the franchise agreement between Softroc Global, LLC ("**Franchisor**") and _____ (the "**Franchisee**") together with any associated exhibits, agreements, addenda, riders, and other instruments (together, the "**Franchise Agreement**") and am familiar with its terms (capitalized terms not defined herein will have the meaning in the Franchise Agreement).

2. I own a beneficial interest in the Franchisee and/or the Franchised Business, and/or would be considered an "Owner" within the definition contained in the Franchise Agreement.

~~B. Territory.~~

~~The Territory referenced in the Franchise Agreement shall consist of the following geographic area (as may be further depicted on the map attached on the following page):~~

[_____]

If there are any changes to the zip codes or other boundaries that define your Territory during the term of the Franchise Agreement or any renewal term, then, unless otherwise agreed to by you and us in writing, the boundaries of your Territory shall remain defined by the zip codes or other boundaries in effect as of the Effective Date and depicted on the map on the following page.

3. I understand that, were it not for this Guaranty, Franchisor would not have agreed to enter into the Franchise Agreement.

4. I agree to be personally bound by, and personally liable for the breach of, each and every provision in the Franchise Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including that without limiting the foregoing, I will comply with all of the covenants of confidentiality, exclusivity, non-interference, and non-disparagement contained in Section 6 of the Franchise Agreement.

5. I will comply with all of the provisions contained in Section 14 of the Franchise Agreement concerning the transfer of any interest I may have in the Franchised Business or the Franchisee.

6. I agree that the provisions contained in Section 18 of the Franchise Agreement will apply to any dispute arising out of or relating to this Guaranty, including the requirement to arbitrate all claims under Section 18.1. If Franchisor brings any legal action to enforce its rights under this Guaranty, I will reimburse Franchisor its attorneys' fees and costs.

7. I hereby personally and unconditionally guarantee to Franchisor and its successors and assigns the punctual and full payment of all amounts owed by the Franchisee under the Franchise Agreement. I understand and agree that Franchisor need not exhaust its remedies against the Franchisee or any other guarantor or person before seeking recovery from me under this Guaranty.

8. No modification, change, impairment, or suspension of any of Franchisor's rights or remedies shall in any way affect any of my obligations under this Guaranty. If the Franchisee has pledged other security or if one or more other persons have personally guaranteed performance of the Franchisee's obligations, I agree that Franchisor's release of such security will neither affect my liability under this Guaranty or be asserted as a defense to enforcement of this Guaranty.

ATTACHMENT "B"

TO FRANCHISE AGREEMENT

FRANCHISE OWNER AGREEMENT

[See Attached]

FRANCHISE OWNER AGREEMENT

This Franchise Owner Agreement (this "Agreement") is entered into by each of the undersigned owners of Franchisee (defined below) in favor of Softroc Global, LLC, a Delaware limited liability company, and its successors and assigns ("us"), upon the terms and conditions set forth in this Agreement. Each signatory to this Agreement is referred to as "you".

1. Definitions. For purposes of this Agreement, the following terms have the meanings given to them below:

"Competitive Business" means any business that: (a) derives, or is reasonably expected to derive, at least 10% of its revenues from the offer and sale of rubber surfacing and/or resurfacing solutions for residential and/or commercial applications; and/or (b) offers and/or grants franchises, licenses, dealerships, distributorships, subcontractor arrangements or other rights to third parties for purposes of allowing such third parties to operate a business that meets the criteria in clause (a) of this definition.

"Copyrights" means all works and materials for which we or our affiliate has secured common law or registered copyright protection and that we allow Softroc franchisees to use, sell or display in connection with the marketing and/or operation of a Softroc Business, whether now in existence or created in the future.

"Franchise Agreement" means the Softroc Franchise Agreement executed by Franchisee with an effective date of _____, 202__.

"Franchised Business" means the Softroc Business operated by Franchisee pursuant to the Franchise Agreement.

"Franchisee" means _____.

"Improvements" means any additions, modifications or improvements to (a) the goods or services offered at a Softroc Business, (b) the method of operation of a Softroc Business or (c) any marketing or promotional ideas relating to a Softroc Business, whether developed by you, Franchisee or any other person.

"Intellectual Property" means, collectively or individually, our Marks, Copyrights, Know-how, System and Improvements. *"Intellectual Property"* also includes all customer and business data collected by Franchisee or by us.

"Know-how" means all of our trade secrets and other proprietary information relating to the development, marketing and/or operation of a Softroc Business, including, but not limited to, methods, techniques, specifications, procedures, policies, marketing strategies, supplier information and information comprising the System and the Manual.

"Manual" means our confidential brand standards manual for the operation of a Softroc Business.

"Marks" means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a Softroc Business, including "Softroc" and the associated logo, and any other trademarks, service marks or trade names that we designate for use by a Softroc Business.

"Prohibited Activities" means any or all of the following: (a) owning, operating or having any other interest (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent or in any similar capacity) in a Competitive Business (other than owning an interest of 5% or less in a publicly traded company that is a Competitive Business); (b) diverting or attempting to divert any business from us (or one of our affiliates or

franchisees); and/or (c) inducing any customer of ours (or of one of our affiliates or franchisees) to transfer their business to Owner or to any other person that is not then a franchisee of ours.

"Restricted Period" means the two (2) year period after the earliest to occur of the following: (a) the termination or expiration of the Franchise Agreement; (b) the date on which Franchisee assigns the Franchise Agreement to another person with respect to whom you do not hold any direct or indirect ownership interest; or (c) the date on which you cease to be an owner of Franchisee; provided however, that if a court of competent jurisdiction determines that this period of time is too long to be enforceable, then the "Restricted Period" means the one (1) year period after the earliest to occur of the following: (a) the termination or expiration of the Franchise Agreement; (b) the date on which Franchisee assigns the Franchise Agreement to another person with respect to whom you do not hold any direct or indirect ownership interest; or (c) the date on which you cease to be an owner of Franchisee.

"Restricted Territory" means the geographic area within: (a) Franchisee's Territory under the Franchise Agreement (as described on Attachment A to this Agreement); and (b) any territory operated by another Softroc Businesses that is operating as of the date of this Agreement and remains in operation during all or any part of the Restricted Period; provided, however, that if a court of competent jurisdiction determines that the foregoing Restricted Territory is too broad to be enforceable, then the "*Restricted Territory*" means the geographic area within Franchisee's Territory under the Franchise Agreement (as described on Attachment A to this Agreement).

"Softroc Business" means any Softroc business operated by us, our affiliates, you or another franchisee that involves the provision of Softroc rubber surfacing solutions to residential and/or commercial customers utilizing our Marks and System.

"System" means our system for the operation of a Softroc Business, the distinctive characteristics of which include: the Marks; trade secrets; distinct resurfacing product and application techniques; marketing strategies; training programs; processes and procedures; and operating system.

2. Background. In your capacity as an owner of Franchisee, you may gain knowledge of our System and Know-how. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees and that you could seriously jeopardize our entire franchise system if you were to unfairly compete with us. In addition, you understand that certain terms of the Franchise Agreement apply to "owners" and not just Franchisee. You agree to comply with the terms of this Agreement in order to: (a) avoid damaging our System by engaging in unfair competition; and (b) bind yourself to the terms of the Franchise Agreement applicable to owners.

3. Brand Protection Covenants.

(a) Intellectual Property. You agree to:

(i) refrain from using the Intellectual Property in any capacity or for any purpose other than the operation of Franchisee's Softroc Business in compliance with the Franchise Agreement and Manual;

(ii) maintain the confidentiality of the Know-how at all times;

(iii) take all reasonable steps we require to prevent unauthorized use or disclosure of Know-how;

(iv) refrain from making unauthorized copies of documents containing any Know-how; and

(v) immediately stop using the Intellectual Property at such time that you are no longer an owner of Franchisee.

You agree to assign to us or our designee, without charge, all rights to any Improvement developed by you, including the right to grant sublicenses. If applicable law precludes you from assigning ownership of any Improvement to us, then such Improvement shall be perpetually licensed by you to us free of charge, with full rights to use, commercialize, and sublicense the same.

(b) Unfair Competition During Relationship. You agree not to unfairly compete with us at any time while you are an owner of Franchisee by engaging in any Prohibited Activities.

(c) Unfair Competition After Relationship. You agree not to unfairly compete with us by engaging in any Prohibited Activities during the Restricted Period; provided, however, that the Prohibited Activity relating to having an interest in a Competitive Business only applies to a Competitive Business that is located within, or that provides competitive goods or services with respect to properties located within, the Restricted Territory. If you engage in any Prohibited Activities during the Restricted Period, then your Restricted Period will be extended by the period of time during which you were engaging in the Prohibited Activity (any such extension of time will not be construed as a waiver of your breach or otherwise impair any of our rights or remedies relating to your breach).

(d) Family Members. You acknowledge you could circumvent the purpose of this Agreement by disclosing Know-how to an immediate family member (i.e., parent, sibling, child, or grandchild). You also acknowledge it would be difficult for us to prove whether you disclosed the Know-how to family members. Therefore, you will be presumed to have violated the terms of this Agreement if any member of your immediate family (i) engages in any Prohibited Activities during any period of time during which you are prohibited from engaging in the Prohibited Activities or (ii) uses or discloses the Know-how. However, you may rebut this presumption by furnishing evidence conclusively showing you did not disclose the Know-how to the family member.

(e) Covenants Reasonable. You acknowledge that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources, business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE OR UNENFORCEABLE**. Although you and we both believe the covenants in this Agreement are reasonable, we may at any time unilaterally modify the terms of the brand protection covenants in Section 3 of this Agreement, upon written notice to you, by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory and/or reducing the scope of any other covenant imposed upon you under Section 3 of this Agreement to ensure that the terms and covenants are enforceable under applicable law.

(f) Breach. You agree that your failure to comply with the covenants in this Section 3 is likely to cause substantial and irreparable damage to us and/or our other franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of these covenants will entitle us to injunctive relief. You agree we may apply for such injunctive relief, without bond, but upon due notice, in addition to any other relief available at equity or law, and your sole remedy in the event of the entry of such injunction will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree the amount of the bond

shall not exceed $1,000. None of the remedies available to us under this Section are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages.

4. Transfer Restrictions. If you are an owner of Franchisee, you acknowledge that we must approve all persons who hold a direct or indirect ownership interest in Franchisee. Accordingly, you agree that you will not, directly or indirectly or by operation of law, sell, assign, mortgage, pledge or in any manner transfer any direct or indirect ownership interest in Franchisee except in accordance with the terms and conditions set forth in Section 19.2 of the Franchise Agreement.

5. Financial Security. In order to secure Franchisee's financial obligations under the Franchise Agreement and all ancillary agreements executed by Franchisee in connection with the Franchise Agreement, including, but not limited to, any agreement for the purchase of goods or services from us or an affiliate of ours and any promissory note related to payments owed to us (collectively, the "Secured Agreements"), you, jointly and severally, personally and unconditionally: (a) guarantee to us and our successor and assigns, that Franchisee shall punctually fulfil all of its payment and other financial obligations under the Secured Agreement; and (b) agree to be personally bound by, and personally liable for, each and every monetary provision in the Secured Agreements. You waive: (1)9. I hereby waive: (a) acceptance and notice of acceptance by usFranchisor of the foregoing undertakings; (2b) notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed; (3c) protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations hereby guaranteed; (4d) any right youI may have to require that an action be brought against Franchisee or any other person as a condition of my liability; (e) any and all other notices and legal or equitable defenses to which I may be entitled; and (5f) the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness or the performance of any obligation hereby guaranteed. You agree that: (1) your direct and immediate

10. My liability under this Guaranty shall be joint and several with Franchisee and all other signatories to this Agreement; (2) you will render any payment required under the Secured Agreements upon demand if Franchisee fails to promptly do so; (3) your liability shall not be contingent or conditioned upon pursuit by us of any remedies against Franchisee or any other person; and (4) liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence that we maywhich Franchisor may from time to time 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 shall in any way modify or amend this guaranteeGuaranty, which shall be continuing and irrevocable during the term of each of the Secured Agreements and following the terminationthe Agreement.

, expiration or transfer of each of the Secured Agreements to the extent any financial obligations under any such Secured Agreements survive such termination, expiration or transfer. 11. **I WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, INVOLVING FRANCHISOR, WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THE FRANCHISE AGREEMENT AND/OR THE PERFORMANCE OF ANY PARTY UNDER THE FRANCHISE AGREEMENT.**

12. I understand that Franchisor's rights under this Guaranty shall be in addition to, and not in lieu of, any other rights or remedies available to Franchisor under applicable law.

13. This Guaranty will continue unchanged by the occurrence of any bankruptcy ofwith respect to Franchisee or any assignee or successor of the Franchisee or by any abandonment of one or more of the Secured AgreementsAgreement by a trustee of Franchisee. Neither your obligationmy obligations to make payment or render performance in accordance with the terms of this undertakingGuaranty nor any remedy for enforcement shallwill be impaired, modified, changed,

released or limited in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of the Franchisee or its estate in bankruptcy or of any remedy for enforcement~~, resulting from the operation of any present or future provision of the U.S. Bankruptcy Act or other statute, or from the decision of any court or agency~~.

14. If more than one person has personally guaranteed Franchisee's performance under and/or agreed to be bound by the Franchise Agreement, my liability with such person shall be joint and several with such guarantors, parties, and the Franchisee.

15. This Guaranty shall be binding on me and my heirs, executors, administrators, and assigns and shall inure to the benefit of Franchisor and its successors, endorsees, transferees and assigns. Without limiting any other provision hereof, I warrant and agree that my death shall not serve as a revocation of or otherwise affect the guaranty made hereunder and that my estate and heirs shall continue to be liable hereunder with respect to any obligations guaranteed hereunder.

Each Guarantor that is a business entity, retirement or investment account, or trust acknowledges and agrees that if the Franchisee is delinquent in payment of any amounts guaranteed hereunder, that no dividends or distributions may be made by such guarantor (or on such guarantor's account) to its owners, accountholders or beneficiaries or otherwise, for so long as such delinquency exists, subject to applicable law.

By signing below, any undersigned spouse acknowledges and consents to the guaranty given herein by his/her spouse. Such consent also serves to bind the assets of the marital estate to guarantor's performance of this Guaranty. Each guarantor represents and warrants that, if no signature appears below for such guarantor's spouse, such guarantor is either not married or, if married, is a resident of a state which does not require the consent of both spouses to encumber the assets of a marital estate.

[SIGNATURE PAGE TO FOLLOW]

~~**6. Dispute Resolution.** Any dispute between the parties relating to this Agreement shall be brought in accordance with the dispute resolution procedures in the Franchise Agreement. Notwithstanding the foregoing, if any dispute resolution procedures in the Franchise Agreement conflict with any terms of this Agreement, the terms of this Agreement shall prevail. **You acknowledge and agree that a breach of this Agreement by you shall constitute a material event of default under the Franchise Agreement, permitting us to terminate the Franchise Agreement in accordance with the terms thereof.**~~

~~**7. Miscellaneous**.~~

~~(a) If either party hires an attorney or files suit against the other party relating to or alleging a breach of this Agreement, the losing party agrees to pay the prevailing party's reasonable attorneys' fees and costs incurred in connection with such breach.~~

~~(b) This Agreement will be governed by, construed and enforced under the laws of Texas and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.~~

~~(c) Any claim, defense or cause of action you may have against us or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.~~

~~(d) Each section of this Agreement, including each subsection and portion thereof, is severable. In the event that any section, subsection or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration and~~

~~geographic area.~~

~~(e) You agree that we may deliver to you any notice or other communication contemplated by this Agreement in the same manner and to the same address listed in the notice provisions of the Franchise Agreement and any such delivery shall be deemed effective for purposes of this Agreement. You may change the address to which notices must be sent by sending us a written notice requesting such change, which notice shall be delivered in the manner and to the address listed in the Franchise Agreement.~~

IN WITNESS WHEREOF, each of the undersigned has ~~executed this Agreement~~affixed his signature to be effective as of the Effective Date ~~or dates set forth below~~.

GUARANTOR(S)	SPOUSE(S)
Sign: _____ Name: _____ Address: _____ _____ _____	Sign: _____ Name: _____ Address: _____ _____ _____
Sign: _____ Name: _____ Address: _____ _____ _____	Sign: _____ Name: _____ Address: _____ _____ _____
Sign: _____ Name: _____ Address: _____ _____ _____	Sign: _____ Name: _____ Address: _____ _____ _____

OWNER

By: _____

Name: _____

Date: _____

OWNER

By: _____

Name: _____

Date: _____

OWNER

By: _____

Name: _____

Date: _____

OWNER

By: _____

Name: _____

Date: _____

~~ATTACHMENT "C"~~

EXHIBIT 2 TO THE FRANCHISE AGREEMENT

~~ACH AUTHORIZATION FORM~~

~~[See Attached]~~

FRANCHISE OWNERS

~~AUTOMATED CLEARING HOUSE PAYMENT AUTHORIZATION FORM~~

(a) You operate as the following (please complete):

□ Sole Proprietorship

□ Business Entity formed in the State of _____

(b) The following is a list of your Owners:

Name	Home Address	Telephone Number	Email Address	% of Ownership

~~Franchisee Information:~~

(c) The following individuals of your officers, managers, or other governing persons:

Name	Home Address	Telephone Number	Email Address	Title

~~Franchisee Name~~ ~~Business No.~~

EXHIBIT 3 TO THE FRANCHISE AGREEMENT

ELECTRONIC FUNDS TRANSFER AUTHORIZATION TO HONOR CHARGES DRAWN BY AND PAYABLE TO SOFTROC GLOBAL, LLC ("PAYEE")

~~Franchisee Mailing Address (street)~~ ~~Franchisee Phone No.~~

The undersigned Depositor hereby authorizes and requests the Depository designated below to honor and to charge to the following designated account, checks, and electronic debits (collectively, "debits") drawn on such account which are payable to the above-named Payee. It is agreed that Depository's rights with respect to each such debit shall be the same as if it were a check drawn and signed by Depositor. This authority is to remain in full force and effect until Depository has received joint written notification from Payee and Depositor of the Depositor's termination of such authority in such time and in such manner as to afford Depository a reasonable opportunity on which to act. The Depositor agrees with respect to any action taken pursuant to the above authorization:

1) To indemnify the Depository and hold it harmless from any loss it may suffer resulting from or in connection with any debit, including, without limitation, execution and issuance of any check, draft or order, whether or not genuine, purporting to be authorized or executed by the Payee and received by the Depository in the regular course of business for the purpose of payment, including any costs or expenses reasonably incurred in connection therewith.

2) To indemnify Payee and the Depository for any loss arising in the event that any such debit shall be dishonored, whether with or without cause and whether intentionally or inadvertently.

3) To defend at Depositor's own cost and expense any action which might be brought by a depositor or any other persons because of any actions taken by the Depository or Payee pursuant to the foregoing request and authorization, or in any manner arising by reason of the Depository's or Payee's participation therein.

Name of Depository (Bank Name): _____

~~Franchisee Mailing Address (city, state, zip)~~

~~Contact Name, Address and Phone number (if different from above)~~

~~Franchisee Fax No.~~ ~~Franchisee Email Address~~

~~**Bank Account Information:**~~

Bank Account Name: _____

Bank Acct #: _____

Routing # _____

~~Bank Mailing Address (street, city, state, zip)~~

~~☐ Checking~~ ~~☐ Savings~~

~~Bank Account No.~~ ~~(check one)~~ ~~Bank Routing No. (9 digits)~~

~~Bank Mailing Address (city, state, zip)~~ ~~Bank Phone No.~~

Authorization:

Franchisee hereby authorizes Softroc Global, LLC ("Franchisor") to initiate debit entries to Franchisee's account with the Bank listed above and Franchisee authorizes the Bank to accept and to debit the amount of such entries to Franchisee's account. Each debit shall be made from time to time in an amount sufficient to cover any fees payable to Franchisor pursuant to any agreement between Franchisor and Franchisee as well as to cover any purchases of goods or services from Franchisor or any affiliate of Franchisor. Franchisee agrees to be bound by the National Automated Clearing House Association (NACHA) rules in the administration of these debit entries. Debit entries will be initiated only as authorized above. This authorization is to remain in full force and effect until Franchisor has received written notification from Franchisee of its termination in such time and in such manner as to afford Franchisor and the Bank a reasonable opportunity to act on it. Franchisee shall notify Franchisor of any changes to any of the information contained in this authorization form at least 30 days before such change becomes effective.

Signature: _____ Date: _____

Name: _____

Its: _____

Federal Tax ID Number: _____

NOTE: FRANCHISEE MUST (Please attach **A** one voided check **RELATING TO** for the **BANK** above account.)

Depositor:	Depository:
By: _____	By: _____
Title: _____	Title: _____
Date: _____	Date: _____

~~ATTACHMENT "D"~~

EXHIBIT 4 TO THE FRANCHISE AGREEMENT
~~BRAND PROTECTION AGREEMENT~~
RIDER TO THE FRANCHISE AGREEMENT
FOR USE IN CALIFORNIA

This rider ("**Rider**") is made part of that certain Franchise Agreement to which it is attached (the "**Franchise Agreement**") to modify certain provisions of the Franchise Agreement as described in this Rider. Capitalized terms not defined herein will have the meaning in the Franchise Agreement. State law regulating the offer or sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are independently met.

1. **BACKGROUND**. This Rider is being signed because (a) the offer or sale of the franchise is being made or was accepted in California, or (b) you are domiciled in California and the Franchised Business will be operated in California.

2. **FRANCHISE FEE**. The following language is added to the end of Section 2.1 of the Franchise Agreement.

> The Department of Financial Protection and Innovation requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and your Franchised Business is open for business.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the Effective Date of the Franchise Agreement.

FRANCHISOR: **SOFTROC GLOBAL, LLC**	**FRANCHISEE**: _____ (insert legal name)
Sign: _____	Sign: _____
Name: _____	Name: _____
Title: _____	Title: _____

~~[See Attached]~~

(Added graphics)

(Added graphics)

BRAND PROTECTION AGREEMENT

This Agreement (this "Agreement") is entered into by the undersigned ("you") in favor of Softroc Global, LLC, a Delaware limited liability company, and its successors and assigns ("us"), upon the terms and conditions set forth in this Agreement.

1. Definitions. For purposes of this Agreement, the following terms have the meanings given to them below:

"Competitive Business" means any business that: (a) derives, or is reasonably expected to derive, at least 10% of its revenues from the offer and sale of rubber surfacing and/or resurfacing solutions for residential and/or commercial applications; and/or (b) offers and/or grants franchises, licenses, dealerships, distributorships, subcontractor arrangements or other rights to third parties for purposes of allowing such third parties to operate a business that meets the criteria in clause (a) of this definition.

"Copyrights" means all works and materials for which we or our affiliate has secured common law or registered copyright protection and that we allow Softroc franchisees to use, sell or display in connection with the marketing and/or operation of a Softroc Business, whether now in existence or created in the future.

"Franchisee" means the Softroc franchisee for whom you are an officer, director, employee or independent contractor.

"Improvements" means any additions, modifications or improvements to: (a) the goods or services offered at a Softroc Business; (b) the method of operation of a Softroc Business; or (c) any marketing or promotional ideals relating to a Softroc Business, whether developed by you, Franchisee or any other person.

"Intellectual Property" means, collectively or individually, our Marks, Copyrights, Know-how, System and Improvements. *"Intellectual Property"* also includes all customer and business data collected by Franchisee or by us.

"Know-how" means all of our trade secrets and other proprietary information relating to the development, marketing and/or operation of a Softroc Business, including, but not limited to, methods, techniques, specifications, procedures, policies, marketing strategies, supplier information and information comprising the System and the Manual.

"Manual" means our confidential brand standards manual for the operation of a Softroc Business.

"Marks" means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a Softroc Business, including "Softroc" and the associated logo, and any other trademarks, service marks or trade names that we designate for use by a Softroc Business.

"Prohibited Activities" means any or all of the following: (a) owning, operating or having any other interest (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent or in any similar capacity) in a Competitive Business (other than owning an interest of five percent (5%) or less in a publicly traded company that is a Competitive Business); (b) diverting or attempting to divert any business from us (or one of our affiliates or franchisees); and/or (c) inducing any customer of ours (or of one of our affiliates or franchisees) to transfer their business to you or to any other person that is not then a franchisee of ours.

"Restricted Period" means the two (2) year period after you cease to be an officer, director, employee or independent contractor of Franchisee; provided, however, that if a court of competent jurisdiction determines that this period of time is too long to be enforceable, then the "Restricted Period" means the one (1) year period after you cease to be an officer, director, employee or independent contractor of Franchisee.

"Restricted Territory" means the geographic area within the "Territory" granted to Franchisee, as described on Attachment A to this Agreement.

"Softroc Business" means any Softroc business operated by us, our affiliates, you or another franchisee that involves the provision of Softroc rubber surfacing solutions to residential and/or commercial customers utilizing our Marks and System.

"System" our distinct system for the operation of a Softroc Business, the characteristics of which include: the Marks; trade secrets; distinct resurfacing product and application techniques; marketing strategies; training programs; processes and procedures; and operating system.

2. Background. You are an officer, director, employee or independent contractor of Franchisee. As a result of this association, you may gain knowledge of our System and Know-how. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees and that you could seriously jeopardize our entire franchise system if you were to unfairly compete with us. In order to avoid such damage, you agree to comply with the terms of this Agreement.

3. Intellectual Property. You agree to:

(i) refrain from using the Intellectual Property in any capacity or for any purpose other than the operation of Franchisee's Softroc Business;

(ii) maintain the confidentiality of the Know-how at all times;

(iii) take all reasonable steps we require to prevent unauthorized use or disclosure of the Know-how;

(iv) refrain from making unauthorized copies of documents containing any Know-how; and

(v) immediately stop using the Intellectual Property at such time that you are no longer an officer, director, employee or independent contractor of Franchisee.

4. Unfair Competition During Relationship. You agree not to unfairly compete with us at any time while you are an officer, director, employee or independent contractor of Franchisee by engaging in any Prohibited Activities.

5. Unfair Competition After Relationship. You agree not to unfairly compete with us by engaging in any Prohibited Activities during the Restricted Period; provided, however, that the Prohibited Activity relating to having an interest in a Competitive Business only applies to a Competitive Business that is located within, or that provides competitive goods or services with respect to properties located within, the Restricted Territory. If you engage in any Prohibited Activities during the Restricted Period, then your Restricted Period will be extended by the period of time during which you were engaging in the Prohibited Activity (any such extension of time will not be construed as a waiver of your breach or otherwise impair any of our rights or remedies relating to your breach).

6. Immediate Family Members. You acknowledge you could circumvent the purpose of this Agreement by disclosing Know-how to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). You also acknowledge it would be difficult for us to prove whether you disclosed the Know-how to family members. Therefore, you will be presumed to have violated the terms of this Agreement if any member of your immediate family (a) engages in any Prohibited Activities during any period of time during which you are prohibited from engaging in the Prohibited Activities or (b) uses or discloses the Know-how. However, you may rebut this presumption by furnishing evidence conclusively showing you did not disclose the Know-how to the family member.

7. Covenants Reasonable. You acknowledge and agree that: (a) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (b) you have sufficient resources, business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE OR OTHERWISE UNENFORCEABLE.**

8. Breach. You agree that your failure to comply with the terms of this Agreement is likely to cause substantial

and irreparable damage to us and/or our other franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of the terms of this Agreement will entitle us to injunctive relief. You agree we may apply for such injunctive relief, without bond, but upon due notice, in addition to any other relief available at equity or law, and your sole remedy in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree the amount of the bond shall not exceed $1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages. Any claim, defense or cause of action that you may have against us or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

9. Miscellaneous.

(a) If we hire an attorney or file suit against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorneys' fees and costs in doing so.

(b) This Agreement will be governed by, construed and enforced under the laws of Texas and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

(c) Each section of this Agreement, including each subsection and portion thereof, is severable. In the event that any section, subsection or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration and geographic area.

(d) You and we both believe that the covenants in this Agreement are reasonable in terms of scope, duration and geographic area. However, we may at any time unilaterally modify the terms of this Agreement upon written notice to you by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory and/or reducing the scope of any other covenant imposed upon you under this Agreement to ensure that the terms and covenants in this Agreement are enforceable under applicable law.

(e) If you are a resident of Washington, D.C. as of the date you sign this Agreement, then the noncompetition covenant set forth in this Agreement shall not be applicable to you and the definition of "Prohibited Activities" shall be deemed amended by deleting clause (a) from such definition.

This Brand Protection Agreement is executed as of the date or dates set forth below.

By: _____

Name: _____

Date: _____

ATTACHMENT A

Restricted Territory

[Insert "Territory" description from Franchisee's Franchise Agreement]

~~ATTACHMENT "E"~~

EXHIBIT 4 TO THE FRANCHISE AGREEMENT
~~CONFIDENTIALITY AGREEMENT~~
RIDER TO THE FRANCHISE AGREEMENT
FOR USE IN ILLINOIS

This rider ("**Rider**") is made part of that certain Franchise Agreement to which it is attached (the "**Franchise Agreement**") to modify certain provisions of the Franchise Agreement as described in this Rider. Capitalized terms not defined herein will have the meaning in the Franchise Agreement. State law regulating the offer or sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are independently met.

1. **BACKGROUND**. This Rider is being signed because (a) you are domiciled in the State of Illinois, or (b) the offer of the franchise is made or accepted in the State of Illinois and your Franchised Business is or will be operated in the State of Illinois.

2. **ILLINOIS FRANCHISE DISCLOSURE ACT**. The following sentence is added to the end of the Franchise Agreement:

> Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., Illinois law governs the agreements between the parties to this franchise.
>
> Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.
>
> Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act or any other law of Illinois is void.
>
> Your rights upon termination and non-renewal of the Franchise Agreement are subject to Sections 19 and 20 of the Illinois Franchise Disclosure Act.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the Effective Date of the Franchise Agreement.

FRANCHISOR: **SOFTROC GLOBAL, LLC**	**FRANCHISEE**: _____ (insert legal name)
Sign: _____	Sign: _____
Name: _____	Name: _____
Title: _____	Title: _____

~~[See Attached]~~

(Added graphics)

(Added graphics)

CONFIDENTIALITY AGREEMENT

This Agreement (this "Agreement") is entered into by the undersigned ("you") in favor of Softroc Global, LLC, a Delaware limited liability company, and its successors and assigns ("us"), upon the terms and conditions set forth in this Agreement.

1. Definitions. For purposes of this Agreement, the following terms have the meanings given to them below:

"Copyrights" means all works and materials for which we or our affiliate has secured common law or registered copyright protection and that we allow Softroc franchisees to use, sell or display in connection with the marketing and/or operation of a Softroc Business, whether now in existence or created in the future.

"Franchisee" means the Softroc franchisee for whom you are an officer, director, employee or independent contractor.

"Improvements" means any additions, modifications or improvements to (a) the goods or services offered at a Softroc Business, (b) the method of operation of a Softroc Business or (c) any marketing or promotional ideals relating to a Softroc Business, whether developed by you, Franchisee or any other person.

"Intellectual Property" means, collectively or individually, our Marks, Copyrights, Know-how, System and Improvements. *"Intellectual Property"* also includes all customer and business data collected by Franchisee or by us.

"Know-how" means all of our trade secrets and other proprietary information relating to the development, marketing and/or operation of a Softroc Business, including, but not limited to, methods, techniques, specifications, procedures, policies, marketing strategies, supplier information and information comprising the System and the Manual.

"Manual" means our confidential brand standards manual for the operation of a Softroc Business.

"Marks" means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a Softroc Business, including "Softroc" and the associated logo, and any other trademarks, service marks or trade names that we designate for use by a Softroc Business.

"Softroc Business" means any Softroc business operated by us, our affiliates, you or another franchisee that involves the provision of Softroc rubber surfacing solutions to residential and/or commercial customers utilizing our Marks and System.

"System" our distinct system for the operation of a Softroc Business, the characteristics of which include: the Marks; trade secrets; distinct resurfacing product and application techniques; marketing strategies; training programs; processes and procedures; and operating system.

2. Background. You are an officer, director, employee or independent contractor of Franchisee. As a result of this association, you may gain knowledge of our System and Know-how. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees and that you could seriously jeopardize our entire franchise system if you were to unfairly compete with us. In order to avoid such damage, you agree to comply with the terms of this Agreement.

3. Know-How and Intellectual Property. You agree to:

V.1

(i) refrain from using the Intellectual Property in any capacity or for any purpose other than the operation of Franchisee's Softroc Business;

(ii) maintain the confidentiality of the Know-how at all times;

(iii) take all reasonable steps we require to prevent unauthorized use or disclosure of the Know-how;

(iv) refrain from making unauthorized copies of documents containing any Know-how; and

(v) immediately stop using the Intellectual Property at such time that you are no longer an officer, director, employee or independent contractor of Franchisee.

4. Family Members. You acknowledge you could circumvent the purpose of this Agreement by disclosing Know-how to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). You also acknowledge it would be difficult for us to prove whether you disclosed the Know-how to family members. Therefore, you will be presumed to have violated the terms of this Agreement if any member of your immediate family uses or discloses the Know-how. However, you may rebut this presumption by furnishing evidence conclusively showing you did not disclose the Know-how to the family member.

5. Covenants Reasonable. You acknowledge and agree that: (a) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (b) you have sufficient resources, business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE OR OTHERWISE UNENFORCEABLE.**

6. Breach. You agree that your failure to comply with the terms of this Agreement is likely to cause substantial and irreparable damage to us and/or our other franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of the terms of this Agreement will entitle us to injunctive relief. You agree we may apply for such injunctive relief, without bond, but upon due notice, in addition to any other relief available at equity or law, and your sole remedy in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree the amount of the bond shall not exceed $1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages. Any claim, defense or cause of action that you may have against us or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

7. Miscellaneous.

(a) If we hire an attorney or file suit against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorneys' fees and costs in doing so.

(b) This Agreement will be governed by, construed and enforced under the laws of Texas and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

(c) Each section of this Agreement, including each subsection and portion thereof, is severable. In the event that any section, subsection or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms enforceable.

This Confidentiality Agreement is executed as of the date set forth below.

By: _____

Name: _____

Date: _____

~~ATTACHMENT "F"~~

EXHIBIT 4 TO THE FRANCHISE AGREEMENT

~~DEFINITIONS~~

~~*"Account"* is defined in Section 13.5.~~

~~*"ACH Agreement"* means our form of ACH Authorization Agreement, the most current form of which is attached to this Agreement as ATTACHMENT "C".~~

~~*"Affiliated Entity"* is defined in Section 16.1.~~

~~*"Agencies"* is defined in Section 21.1.~~

~~"~~RIDER TO THE FRANCHISE AGREEMENT~~" is defined~~
FOR USE IN ~~the Introductory Paragraph.~~MARYLAND

~~*"Brand Protection Agreement"* means our form of Brand Protection Agreement, the most current form of which is attached to this Agreement as ATTACHMENT "D".~~

~~*"Business"* is defined in Section 2.~~

~~*"Claim"* or *"Claims"* means any and all claims, actions, demands, assessments, litigation, or other form of regulatory or adjudicatory procedures, claims, demands, assessments, investigations, or formal or informal inquiries.~~

~~*"Competitive Business"* means any business that: (a) derives, or is reasonably expected to derive, at least 10% of its revenues from the offer and sale of rubber surfacing and/or resurfacing solutions for residential and/or commercial applications; and/or (b) offers and/or grants franchises, licenses, dealerships, distributorships, subcontractor arrangements or other rights to third parties for purposes of allowing such third parties to operate a business that meets the criteria in clause (a) of this definition.~~

~~*"Confidentiality Agreement"* means our form of Confidentiality Agreement, the most current form of which is attached to this Agreement as ATTACHMENT "E".~~

~~*"Copyrights"* means all works and materials for which we or our affiliate has secured common law or registered copyright protection and that we allow Softroc franchisees to use, sell or display in connection with the marketing and/or operation of a Softroc Business, whether now in existence or created in the future.~~

~~*"Covered Person"* means each of your managers, officers, governing persons and executive management personnel other than a person that is also an Owner.~~

~~*"Dispute"* is defined in Section 22.~~

~~*"Effective Date"* is defined in the Introductory Paragraph.~~

~~*"Entity"* means a corporation, partnership, limited liability company or other form of association.~~

~~*"Excluded Claim"* is defined in Section 22.~~

~~*"Final Payment"* is defined in Section 21.2.~~

~~*"General Release"* means our current form of general release of all claims against us and our affiliates and subsidiaries, and our and their respective members, officers, directors, agents and employees, in both their corporate and individual capacities.~~

~~*"Gross Sales"* means all revenues that you collect from the operation of your Business, including: (a) the proceeds of any business interruption insurance; and (b) any revenues initially collected by us and paid to you for your completion of a job for a National Account customer. Gross Sales does not include: (a) sales tax or use tax; (b) refunds made in good faith; (c) the value of any allowance issued or granted to any customer of your Business that is credited by you in full or partial satisfaction of the price of any~~

products and services offered in connection with your Business; or (d) any rebate you receive from a manufacturer or supplier. From time to time, we may establish policies governing the manner in which the proceeds from the sale of gift cards are treated for purposes of calculating Gross Sales.

"Improvements" is defined in Section 17.5.

"Indemnified Party" or *"Indemnified Parties"* means us and each of our past, present and future owners, members, officers, directors, employees and agents, as well as our parent companies, subsidiaries and affiliates, and each of their past, present and future owners, members, officers, directors, employees and agents.

"Intellectual Property" means, collectively or individually, our Marks, Copyrights, Know-how, System and Improvements. *"Intellectual Property"* also includes all customer and business data collected by you or us.

"Interim Manager" is defined in Section 8.4.

"Interim Term" is defined in Section 4.3.

"Know-how" means all of our trade secrets and other proprietary information relating to the development, marketing and/or operation of a Softroc Business, including, but not limited to, methods, techniques, specifications, procedures, policies, marketing strategies, supplier information and information comprising the System and the Manual.

"Losses and Expenses" means all compensatory, exemplary, and punitive damages; fines and penalties; attorneys' fees; experts' fees; court costs; costs associated with investigating and defending against Claims; settlement amounts; judgments; compensation for damages to our reputation and goodwill; and all other costs, damages, liabilities and expenses associated with any of the foregoing losses and expenses or incurred by an Indemnified Party as a result of a Claim.

"Managing Owner" means the Owner that you designate and we approve who is primarily responsible for the overall management and supervision of the Business.

"Manual" is defined in Section 6.1.

"Marks" means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a Softroc Business, including "Softroc" and the associated logo, and any other trademarks, service marks or trade names that we designate for use by a Softroc Business.

"National Account" is defined in Section 6.9.

"Owner" or *"Owners"* means any individual who owns a direct or indirect ownership interest in the franchise or the Entity that is the franchisee under this Agreement. "Owner" includes both passive and active owners.

"PCI-DSS" means the payment card industry data security standard, which is a set of security requirements established by the following major credit card brands from time to time: American Express, Discover Financial Services, JCB International, MasterCard Worldwide, and Visa Inc., which standards are set forth at https://www.pcisecuritystandards.org as of the Effective Date.

"Permitted Transfer" means: (a) a Transfer from one Owner to another Owner who was an approved Owner prior to such Transfer, other than a Transfer by an Owner who is the Managing Owner that results in the Managing Owner holding less than a 20% ownership interest in the franchise or the Entity that is the franchisee under this Agreement, as applicable; and/or (b) a Transfer to a newly established Entity for which the Owners collectively own and control 100% of the ownership interests and voting power.

"Post-Term Restricted Period" means, with respect to you, a period of two (2) years after the

~~termination, expiration or Transfer of this Agreement; provided, however, that if a court of competent jurisdiction determines that the two-year Post-Term Restricted Period is too long to be enforceable, then the "Post-Term Restricted Period" means, with respect to you, a period of one (1) year after the termination, expiration or Transfer of this Agreement. "*Post-Term Restricted Period*" means, with respect to an Owner, a period of two (2) years after the earlier to occur of (a) the termination, expiration or Transfer of this Agreement or (b) the Owner's Transfer of his or her entire ownership interest in the franchise or the Entity that is the franchisee, as applicable; provided, however, that if a court of competent jurisdiction determines that the two-year Post-Term Restricted Period is too long to be enforceable, then the "*Post-Term Restricted Period*" means, with respect to an Owner, a period of one (1) year after the earlier to occur of (a) the termination, expiration or Transfer of this Agreement or (b) the Owner's Transfer of his or her entire ownership interest in the franchise or the Entity that is the franchisee, as applicable.~~

~~*"Prohibited Activities"* is defined in Section 14.3.~~

~~*"Restricted Territory"* means the geographic area within: (a) your Territory; and (b) any territory operated by another Softroc Businesses that is operating as of the Effective Date and remains in operation during all or any part of the Post-Term Restricted Period; provided, however, that if a court of competent jurisdiction determines that the foregoing Restricted Territory is too broad to be enforceable, then the "*Restricted Territory*" means the geographic area within your Territory.~~

~~*"Rubaroc"* is defined in Section 7.2.~~

~~*"Softroc Business"* means any Softroc business operated by us, our affiliates, you or another franchisee that involves the provision of Softroc Services utilizing our Marks and System.~~

~~*"Softroc Product"* means the rubber granules and polyurethane binders that are mixed together to prepare the rubber surfacing material.~~

~~*"Softroc Services"* is defined in Section 2.~~

~~*"Successor Agreement"* is defined in Section 4.1.~~

~~*"System"* means our system for the operation of a Softroc Business, the distinctive characteristics of which include: the Marks; trade secrets; distinct resurfacing product and application techniques; marketing strategies; training programs; processes and procedures; and operating system.~~

~~*"Technology Systems"* is defined in Section 12.9.~~

~~*"Term"* is defined in Section 4.1.~~

~~*"Territory"* is defined in Section 3.1.~~

~~*"Transfer"* means any direct or indirect, voluntary or involuntary (including by judicial award, order or decree), assignment, sale, conveyance, subdivision, sublicense or other transfer or disposition of this Agreement, the franchise (or any interest therein), the Business (or any portion thereof) or an ownership interest in an Entity that is the franchisee, including by merger or consolidation, by issuance of additional securities representing an ownership interest in the Entity that is the franchisee, or by operation of law, will or a trust upon the death of an Owner (including the laws of intestate succession).~~

~~*"We" or "us"* is defined in the Introductory Paragraph.~~

~~*"You"* is defined in the Introductory Paragraph.~~

This rider ("**Rider**") is made part of that certain Franchise Agreement to which it is attached (the "**Franchise Agreement**") to modify certain provisions of the Franchise Agreement as described in this Rider. Capitalized terms not defined herein will have the meaning in the Franchise Agreement. State law regulating the offer or sale of franchises or governing the relationship of a franchisor and its franchisee

will not apply unless its jurisdictional requirements are independently met.

1. **BACKGROUND.** This Rider is being signed because (a) you are a resident of the State of Maryland; or (b) your Franchised Business is or will be operated in the State of Maryland; or (c) the offer to sell is made in the State of Maryland; or (d) the offer to buy is accepted in the State of Maryland.

2. **FRANCHISE FEE**. The following is added to the end of Section 2.1 of the Franchise Agreement:

> All initial fees and payments will be deferred until such time as we complete our initial obligations under this Agreement and you have begun operating your Franchised Business.

3. **RELEASES.** The following is added to the end of Sections 3.2(j) and 14.2(c) of the Franchise Agreement:

> Pursuant to COMAR 02.02.08.16L, any release required as a condition of renewal and/or assignment/transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

4. **INSOLVENCY**. The following is added to the end of Section 12.1 of the Franchise Agreement:

> This Section might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.).

5. **CONSENT TO JURISDICTION**. The following language is added to the end of Section 18.5 of the Franchise Agreement:

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

6. **ARBITRATION**. The following language is added to the end of Section 18.1 of the Franchise Agreement:

> A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Registration and Disclosure Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

7. **LIMITATIONS OF CLAIMS**. The following is added to the end of Sections 18.7 and 18.8 of the Franchise Agreement:

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

8. **RELEASES.** The Franchise Agreement is further amended to state that "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."

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the Effective Date of the Franchise Agreement.

FRANCHISOR: **SOFTROC GLOBAL, LLC**	**FRANCHISEE**: _____ (insert legal name)
Sign: _____	Sign: _____
Name: _____	Name: _____
Title: _____	Title: _____

EXHIBIT 4 TO THE FRANCHISE AGREEMENT

RIDER TO THE FRANCHISE AGREEMENT FOR USE IN MINNESOTA

This rider ("**Rider**") is made part of that certain Franchise Agreement to which it is attached (the "**Franchise Agreement**") to modify certain provisions of the Franchise Agreement as described in this Rider. Capitalized terms not defined herein will have the meaning in the Franchise Agreement. State law regulating the offer or sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are independently met.

1. **BACKGROUND**. This Rider is being signed because (a) your Franchised Business will be operated wholly or partly in the State of Minnesota; and/or (b) you either a resident of, domiciled it, or actually present in the State of Minnesota.

2. **FEE DEFERRAL**. The following is added to the end of Section 2.1 of the Franchise Agreement:

> All initial fees and payments will be deferred until such time as we complete our initial obligations under this Agreement and you have begun operating your Franchised Business.

3. **INTEREST ON LATE PAYMENTS**. The following language is added to the end of Section 2.7 of the Franchise Agreement:

> Notwithstanding the foregoing, you and we acknowledge that under Minnesota Statute 604.113 your penalty for an insufficient funds check will be limited to $30 per occurrence.

4. **RELEASES.** The following is added to the end of Sections 3.2(j) and 14.2(c) of the Franchise Agreement:

> Any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

5. **RENEWAL AND TERMINATION**. The following is added to the end of Sections 3.2 and 12 of the Franchise Agreement:

> However, with respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of this Agreement.

6. **LOST REVENUE DAMAGES**. The following language is added to the end of Section 13.2 of the Franchise Agreement:

> We and you acknowledge that certain parts of this provision might not be enforceable under Minn. Rule Part 2860.4400J. However, we and you agree to enforce the provision to the extent the law allows.

7. **INJUNCTIVE RELIEF**. The following is added to the end of Section 18.2 of the Franchise Agreement:

Notwithstanding the foregoing, a court will determine if a bond is required.

8. **LIMITATIONS OF CLAIMS AND CLASS ACTION BAR**. The following is added to the end of Section 18.10 of the Franchise Agreement:

Notwithstanding the foregoing, Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than 3 years after the cause of action accrues.

9. **MINNESOTA LAW**. Notwithstanding anything to the contrary, Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring you to waive your rights to a jury trial or to waive your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction, or to consent to liquidated damages, termination penalties or judgment notes.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the Effective Date of the Franchise Agreement.

FRANCHISOR: **SOFTROC GLOBAL, LLC**	**FRANCHISEE**: _____ (insert legal name)
Sign: _____	Sign: _____
Name: _____	Name: _____
Title: _____	Title: _____

EXHIBIT 4 TO THE FRANCHISE AGREEMENT

RIDER TO THE FRANCHISE AGREEMENT FOR USE IN NEW YORK

This rider ("**Rider**") is made part of that certain Franchise Agreement to which it is attached (the "**Franchise Agreement**") to modify certain provisions of the Franchise Agreement as described in this Rider. Capitalized terms not defined herein will have the meaning in the Franchise Agreement. State law regulating the offer or sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are independently met.

1. **BACKGROUND**. This Rider is being signed because (a) an offer to sell is made in the State of New York; or (b) an offer to buy is accepted in the State of New York; or (c) if you are domiciled in the State of New York, your Franchised Business is or will be operated in the State of New York.

2. **RELEASES AND WAIVERS**. The following is added to the end of Sections 3.2(n) and 14.2(c) of the Franchise Agreement:

> Notwithstanding the foregoing all rights enjoyed by you and any causes of action arising in your favor from the provision of Article 33 of the General Business Law of the State of New York and the regulations issued there under shall remain in force to the extent required by the non-waiver provisions of GBL Sections 687.4 and 687.4, as amended.

3. **CHOICE OF FORUM AND CHOICE OF LAW**. Nothing herein shall be considered a waiver of any right conferred upon you by the provisions of Article 33 of the New York General Business Law, as amended, and the regulations issued thereunder.

4. **TRANSFER**. The following is added to the end of Section 14.1 of the Franchise Agreement:

> However, to the extent required by applicable law, no assignment will be made except to an assignee who, in our good faith judgment, is willing and financially able to assume our obligations under this Agreement.

5. **TERMINATION**. The following sentence is added to the end of Section 12.3 of the Franchise Agreement:

> You also may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the Effective Date of the Franchise Agreement.

FRANCHISOR: **SOFTROC GLOBAL, LLC**	**FRANCHISEE**: _____ (insert legal name)
Sign: _____	Sign: _____
Name: _____	Name: _____
Title: _____	Title: _____

EXHIBIT 4 TO THE FRANCHISE AGREEMENT

RIDER TO THE FRANCHISE AGREEMENT FOR USE IN NORTH DAKOTA

This rider ("**Rider**") is made part of that certain Franchise Agreement to which it is attached (the "**Franchise Agreement**") to modify certain provisions of the Franchise Agreement as described in this Rider. Capitalized terms not defined herein will have the meaning in the Franchise Agreement. State law regulating the offer or sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are independently met.

1. **BACKGROUND**. This Rider is being signed because (a) an offer to sell is made in the State of North Dakota; or (b) an offer to buy is accepted in the State of North Dakota; or (c) if you are domiciled in the State of North Dakota, your Franchised Business is or will be operated in the State of North Dakota.

2. **FRANCHISE FEE**. The following is added to the end of Section 2.1 of the Franchise Agreement:

> All initial fees and payments will be deferred until such time as we complete our initial obligations under this Agreement and you have begun operating your Franchised Business.

3. **RELEASES.** The following is added to the end of Sections 3.2(n) and 14.2(c) of the Franchise Agreement:

> Any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

4. **COVENANT NOT TO COMPETE**. The following is added to the end of Section 6.3 of the Franchise Agreement:

> Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, we will enforce the covenants to the maximum extent the law allows.

5. **LOST REVENUE DAMAGES**. The following language is added to the end of Section 13.2 of the Franchise Agreement:

> We and you acknowledge that certain parts of this provision might not be enforceable under the North Dakota Franchise Investment Law. However, we and you agree to enforce the provision to the extent the law allows.

6. **ARBITRATION**. The following language is added to the end of Section 18.1 of the Franchise Agreement:

> Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law (unless such a requirement is preempted by the Federal Arbitration Act), arbitration shall be held at a site to which we and you mutually agree.

7. **GOVERNING LAW**. The second sentence of Section 18.4 of the Franchise Agreement is deleted in its entirety and replaced with the following language:

> Except to the extent governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et. seq.), the U.S. Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§1051 et. seq.), or other federal law, and except as otherwise required by North Dakota law, this Agreement (or any other agreement between us and our affiliates and you and your affiliates), the Franchise, and all claims arising from the relationship between you and us will be governed by the laws of the State of Texas, without regard to its conflict of laws rules; provided, however, that any state law regulating the offer or sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are independently met.

8. **CONSENT TO JURISDICTION**. The following language is added to the end of Section 18.5 of the Franchise Agreement:

> Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, you may bring an action in North Dakota for claims arising under the North Dakota Franchise Investment Law.

9. **WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL**. To the extent required by the North Dakota Franchise Investment Law, Section 18.9 of the Franchise Agreement is deleted.

10. **LIMITATIONS OF CLAIMS AND CLASS ACTION BAR**. The following is added to the end of the first paragraph Section 18.10 of the Franchise Agreement:

> The statutes of limitations under North Dakota Law applies with respect to claims arising under the North Dakota Franchise Investment Law.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the Effective Date of the Franchise Agreement.

FRANCHISOR: **SOFTROC GLOBAL, LLC**	**FRANCHISEE**: _____ (insert legal name)
Sign: _____	Sign: _____
Name: _____	Name: _____
Title: _____	Title: _____

EXHIBIT 4 TO THE FRANCHISE AGREEMENT

RIDER TO THE FRANCHISE AGREEMENT FOR USE IN RHODE ISLAND

This rider ("**Rider**") is made part of that certain Franchise Agreement to which it is attached (the "**Franchise Agreement**") to modify certain provisions of the Franchise Agreement as described in this Rider. Capitalized terms not defined herein will have the meaning in the Franchise Agreement. State law regulating the offer or sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are independently met.

1. **BACKGROUND**. This Rider is being signed because (a) an offer to sell is made or accepted in the State of Rhode Island, or (b) an offer to buy is accepted in the State of Rhode Island, or (c) you are a resident of the State of Rhode Island and your Franchised Business is or will be operated in the State of Rhode Island.

2. **GOVERNING LAW**. The following is added at the end of Section 18.4 of the Franchise Agreement:

> Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

3. **CONSENT TO JURISDICTION**. The following is added at the end of Section 18.5 of the Franchise Agreement:

> Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "To the extent required by applicable law, Rhode Island law will apply to claims arising under the Rhode Island Franchise Investment Act."

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the Effective Date of the Franchise Agreement.

FRANCHISOR: **SOFTROC GLOBAL, LLC**	**FRANCHISEE**: _____ (insert legal name)
Sign: _____	Sign: _____
Name: _____	Name: _____
Title: _____	Title: _____

EXHIBIT 4 TO THE FRANCHISE AGREEMENT

RIDER TO THE FRANCHISE AGREEMENT FOR USE IN WASHINGTON

This rider ("**Rider**") is made part of that certain Franchise Agreement to which it is attached (the "**Franchise Agreement**") to modify certain provisions of the Franchise Agreement as described in this Rider. Capitalized terms not defined herein will have the meaning in the Franchise Agreement. State law regulating the offer or sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are independently met.

1. **BACKGROUND**. This Rider is being signed because (a) the offer is directed into the State of Washington and is received where it is directed; or (b) you are a resident of the State of Washington; or (d) your Franchised Business is or will be located or operated, wholly or partly, in the State of Washington.

2. **CERTAIN FEES**. The following is added to the end of Section 2.1 of the Franchise Agreement:

> The State of Washington has imposed a financial condition under which the initial franchise fees due will be deferred until the franchisor has fulfilled its initial pre-opening obligations under the Franchise Agreement and the franchise is open for business.

3. **WASHINGTON LAW**. The following paragraphs are added to the end of the Franchise Agreement:

> In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.
>
> RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also 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.
>
> In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
>
> The Securities Division of the State of Washington Department of Financial Institutions requires the following language:
>
> A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder 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 jury trial, may not be enforceable.

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

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the Effective Date of the Franchise Agreement.

FRANCHISOR: **SOFTROC GLOBAL, LLC**	**FRANCHISEE**: _____ (insert legal name)
Sign: _____	Sign: _____
Name: _____	Name: _____
Title: _____	Title: _____

EXHIBIT 5 TO THE FRANCHISE AGREEMENT

FRANCHISEE DISCLOSURE QUESTIONNAIRE

DO NOT SIGN THIS QUESTIONNAIRE IF YOU ARE LOCATED, OR YOUR FRANCHISED BUSINESS WILL BE LOCATED IN: CALIFORNIA, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.

You are preparing to enter into a Softroc® Franchise Agreement. The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we have not authorized and that may be untrue or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question.

Please review each of the following questions carefully and provide responses.

1. Have you received and carefully reviewed the Disclosure Document provided to you?

☐ Yes ☐ No

2. Do you understand all of the information contained in the Disclosure Document?

☐ Yes ☐ No

If you answered "No", what parts of the Disclosure Document do you not understand? (Attach additional pages, if necessary)

_____

_____

3. Have you received and carefully reviewed the Franchise Agreement and each exhibit, appendix, and schedule attached to the Franchise Agreement?

☐ Yes ☐ No

4. Do you understand all of the information contained in the Franchise Agreement and each exhibit, appendix, and schedule attached to it?

☐ Yes ☐ No

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

_____

_____

5. Have you been given the opportunity, whether or not you may have done so, to discuss the risks of operating a Softroc® Franchise with an attorney, accountant or other professional advisor?

☐ Yes ☐ No

6. Do you understand that the purchase of a Softroc® Franchise is a business decision that has many of the same risks associated with starting any type of business and that the success or failure of your Softroc® Franchise will depend in large part upon your skills and abilities, the number of hours you work, your ability to follow and apply the System, competition from other businesses providing the same services, interest rates, inflation, the economy, labor costs, supply costs, and other economic and business factors?

☐ Yes ☐ No

7. 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

If you answered "No" to any of the Questions 1 through 7, 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 these questions, please leave the following lines blank.

_____

_____

_____

_____

8. Have any of our employees or representatives made any promise, prediction, guarantee, projection or other statement concerning the revenues, profits and/or income of a Softroc® Franchise?

☐ Yes ☐ No

9. Have any of our employees or representatives made any promise, prediction, guarantee, projection or other statement about the amount of money you may earn or the revenue or profits that you should or might expect to achieve as a franchisee that is contrary to, in addition to, or different from, the information contained in our Disclosure Document?

☐ Yes ☐ No

10. Have any of our employees or representatives made any statement or promise regarding the costs you may incur in operating a Softroc® Franchise; the advertising, marketing, training, support service or assistance that we will furnish to you; or any other statement, promise or agreement that is contrary to, or different from, the information contained in the Disclosure Document provided to you?

☐ Yes ☐ No

11. Have any of our employees or representatives made any promise or agreement concerning the amount or type of customers that may be available to you if you purchase a Softroc® Franchise?

☐ Yes ☐ No

If you answered "Yes" to any of the Questions 8 through 11, 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 these questions, please leave the following lines blank.

Explanation

_____

_____

_____

_____

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: _____ _____

_____, Individually

Date: _____ _____

_____, Individually

EXHIBIT ~~"G" 3~~B-2

GENERAL RELEASE

~~[See Attached]~~

WAIVER AND RELEASE OF CLAIMS

SOFTROC GLOBAL, LLC ("**we**," "**us**," or "**our**") and _____ ("**you**" or "**your**") are currently parties to a certain Franchise Agreement (the "**Agreement**") dated _____, 20___. You have asked us to take the following action or to agree to the following request: _____

_____

_____

_____

_____ We have the right under the Agreement to obtain a general release from you and your owners as a condition of taking this action or agreeing to this request. Therefore, we are willing to take the action or agree to the request specified above if you and your owners give us the release and covenant not to sue provided below in this document. You and your owners are willing to give us the release and covenant not to sue provided below as partial consideration for our willingness to take the action or agree to the request described above.

~~This Waiver and Release of Claims (this "Agreement") is made as of _____, 202__ (the "Effective Date") by _____, a(n) _____ ("you") and each individual holding a direct or indirect ownership interest in you (collectively "Owner") in favor of Softroc Global, LLC, a Delaware limited liability company ("us," and together with you and Owner, the "Parties").~~

~~Introduction~~

~~A. We signed a Franchise Agreement with you, dated _____, 202____ (the "Franchise Agreement") pursuant to which we granted you the right to own and operate a Softroc business;~~

~~B. You have notified us of your desire to transfer the Franchise Agreement and all rights related thereto, or an ownership interest in the franchisee entity, to a transferee, [**enter into a successor franchise agreement**] and we have consented to such transfer [**agreed to enter into a successor franchise agreement**]; and~~

~~C. As a condition to our consent to the transfer [**your ability to enter into a successor franchise agreement**], you and Owner have agreed to execute this Agreement upon the terms and conditions stated below.~~

~~D. In consideration of our consent to the transfer [**our entering into a successor franchise agreement**], and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, you and Owner hereby agree as set forth below.~~

~~Agreement~~

~~1. Release. Owner,~~ You and your owners, jointly and severally, on behalf of themselves and their spouses and immediate family members, and each ~~of your~~such foregoing person's or entity's respective affiliates, employees, owners, officers, directors, ~~shareholders, members, owners, employees, agents, representatives, affiliates, parents, divisions, successors and assigns, and all persons or firms claiming by, through, under, or on behalf of any or all of them (the "Franchisee~~successors, assigns, spouses and immediate family members (the "**Releasing Parties**"),~~ hereby release, acquit~~fully and forever unconditionally release and discharge us~~, any~~ and ~~all of~~ our ~~past~~current and ~~present~~former affiliates, parents, subsidiaries~~ and related companies, divisions and partnerships, consultants, advisors and franchise sellers and its~~, franchisees, area developers, owners, agents, insurers and our and their respective ~~past and present~~affiliates, employees, officers, directors,

~~shareholders, members~~successors, assigns, owners, ~~employees, agents,~~guarantors and other representatives~~, affiliates, parents, divisions, successors and assigns, and the spouses of such individuals (collectively, the~~ (the "**Franchisor Parties**"), of and from any and all claims, ~~liabilities, damages, expenses, actions or causes of action which any of the Franchisee Parties may now have or has ever had, whether~~obligations, debts, proceedings, demands, causes of action, rights to terminate and rescind, liabilities, losses, damages, and rights of every kind and nature whatsoever, and known or unknown, ~~past or present, absolute or contingent,~~ suspected or unsuspected, ~~of any nature whatsoever, directly or indirectly arising out of or relating to the execution and performance (or lack thereof) of the Franchise Agreement or the offer, sale or acceptance of the franchise related thereto (including, but not limited to any disclosures and representations made in connection therewith). The foregoing release shall not be construed to apply with respect to any obligations contained within this Agreement.~~whether at law or in equity, which any of them has, had, or may have against any of the Franchisor Parties, from the beginning of time to the date of this document (together, **Claims**"), including any and all Claims in any way arising out of or relating to the Agreement or the relationship of the Releasing Parties with any of the Franchisor Parties. You and your owners, on your own behalf and the other Releasing Parties, further covenant not to sue any of the Franchisor Parties on any of the Claims released by this paragraph and represent that you have not assigned any of the Claims released by this paragraph to any individual or entity.

~~2. State Specific Regulations.~~

IF THE FRANCHISE YOU OPERATE UNDER THE ~~FRANCHISE~~ AGREEMENT IS LOCATED IN CALIFORNIA OR ANY OF THE ~~FRANCHISEE~~RELEASING PARTIES ~~ARE~~IS A RESIDENT OF CALIFORNIA, THE FOLLOWING SHALL APPLY:

SECTION 1542 ACKNOWLEDGMENT. IT IS YOUR INTENTION, ON YOUR OWN BEHALF AND ON BEHALF OF THE ~~FRANCHISEE~~RELEASING PARTIES, IN EXECUTING THIS RELEASE THAT THIS INSTRUMENT BE AND IS A GENERAL RELEASE WHICH SHALL BE EFFECTIVE AS A BAR TO EACH AND EVERY CLAIM, DEMAND, OR CAUSE OF ACTION RELEASED BY YOU OR THE ~~FRANCHISEE~~RELEASING PARTIES. YOU RECOGNIZE THAT YOU OR THE ~~FRANCHISEE~~RELEASING PARTIES MAY HAVE SOME CLAIM, DEMAND, OR CAUSE OF ACTION AGAINST ~~ANY OF~~ THE FRANCHISOR PARTIES OF WHICH YOU, HE, SHE, OR IT IS TOTALLY UNAWARE AND UNSUSPECTING, WHICH YOU, HE, SHE, OR IT IS GIVING UP BY EXECUTING THIS RELEASE. IT IS YOUR INTENTION, ON YOUR OWN BEHALF AND ON BEHALF OF THE ~~FRANCHISEE~~RELEASING PARTIES, IN EXECUTING THIS INSTRUMENT THAT IT WILL DEPRIVE YOU, HIM, HER, OR IT OF EACH SUCH CLAIM, DEMAND, OR CAUSE OF ACTION AND PREVENT YOU, HIM, HER, OR IT FROM ASSERTING IT AGAINST ~~ANY OF~~ THE FRANCHISOR PARTIES. IN FURTHERANCE OF THIS INTENTION, YOU, ON YOUR OWN BEHALF AND ON BEHALF OF THE ~~FRANCHISEE~~RELEASING PARTIES, EXPRESSLY WAIVE ANY RIGHTS OR BENEFITS CONFERRED BY THE PROVISIONS OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, WHICH PROVIDES AS FOLLOWS:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE

DEBTOR OR RELEASED PARTY."

YOU ACKNOWLEDGE AND REPRESENT THAT YOU HAVE CONSULTED WITH LEGAL COUNSEL BEFORE EXECUTING THIS RELEASE AND THAT YOU UNDERSTAND ITS MEANING, INCLUDING THE EFFECT OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, AND EXPRESSLY CONSENT THAT THIS RELEASE SHALL BE GIVEN FULL FORCE AND EFFECT ACCORDING TO EACH AND ALL OF ITS EXPRESS TERMS AND PROVISIONS, INCLUDING, WITHOUT LIMITATION, THOSE RELATING TO THE RELEASE OF UNKNOWN AND UNSUSPECTED CLAIMS, DEMANDS, AND CAUSES OF ACTION.

If the franchise you operate under the Agreement is located in Maryland or if any of the ~~Franchisee~~Releasing Parties ~~are~~is a resident of Maryland, the following shall apply:

Any general release provided for hereunder shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

~~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.~~

If the franchise you operate under the Agreement is located in Washington or if any of the Releasing Parties is a resident of Washington, the following shall apply:

~~Nothing in this~~Any general release ~~will apply with respect to claims arising~~provided for hereunder shall not apply to any liability under the Washington Franchise Investment Protection Act~~, RCW 19.100, and the rules adopted thereunder~~.

~~3. Non disparagement. Each of the Franchisee Parties expressly covenant and agree not to make any false representation of facts, or to defame, disparage, discredit or deprecate any of the Franchisor Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Franchisor Parties, the business conducted by any of the Franchisor Parties or the reputation of any of the Franchisor Parties. For purposes of clarity, the obligations in this Section apply to all methods of communications, including the making of statements or representations through direct verbal or written communication as well as the making of statements or representations on the Internet, through social media sites or through any other verbal, digital or electronic method of communication. The obligations in this Section also prohibit the Franchisee Parties from indirectly violating this Section by influencing or encouraging third parties to engage in activities that would constitute a violation of this Section if conducted directly by a Franchisee Party.~~

~~4. Representations and Warranties. You and Owner each represent and warrant that: (a) [Insert franchisee entity name] is duly authorized to execute this Agreement and perform its obligations hereunder; (b) neither you nor Owner has assigned, transferred or conveyed, either voluntarily or by operation of law, any of their rights or claims against any of the Franchisor Parties or any of the rights, claims or obligations being terminated or released hereunder; (c) you and Owner have not and shall not (i) institute or cause to be instituted against any of the Franchisor Parties any legal proceeding of any kind, including the filing of any claim or complaint with any state or federal court or regulatory agency, alleging any violation of common law, statute, regulation or public policy premised upon any legal theory or claim whatsoever relating to the matters released in this Agreement or (ii) make any verbal, written or other communication that could reasonably be expected to damage or adversely impact any Franchisor Party's reputation or goodwill; and (d) the individuals identified as Owners on the signature pages hereto together hold 100% of the legal and beneficial ownership interests in [Insert franchisee entity name].~~

~~5. Miscellaneous.~~

[signature page to follow]

~~(a) The Parties agree that each has read and fully understands this Agreement and that the opportunity has been afforded to each Party to discuss the terms and contents of said Agreement with legal counsel and/or that such a discussion with legal counsel has occurred.~~

~~(b) This Agreement shall be construed and governed by the laws of the State of Texas.~~

~~(c) In the event that it shall be necessary for any Party to institute legal action to enforce, or for the breach of, any of the terms and conditions or provisions of this Agreement, the prevailing Party in such action shall be entitled to recover all of its reasonable costs and attorneys' fees.~~

~~(d) All of the provisions of this Agreement shall be binding upon and inure to the benefit of the Parties and their respective current and future directors, officers, partners, attorneys, agents, employees, shareholders and the spouses of such individuals, successors, affiliates, and assigns.~~

~~(e) This Agreement contains the entire agreement and understanding between the Parties with respect to the subject matter hereof and supersedes and is in lieu of all prior and contemporaneous agreements, understandings, inducements and conditions, expressed or implied, oral or written, of any nature whatsoever with respect to the subject matter hereof. This Agreement may not be modified except in a writing signed by each of the Parties.~~

~~(f) If one or more of the provisions of this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect or impair any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.~~

~~(g) The Parties agree to do such further acts and things and to execute and deliver such additional agreements and instruments as any Party may reasonably require to consummate, evidence, or confirm the transactions contemplated hereby.~~

~~(h) This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute but one document.~~

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

FRANCHISOR:	**FRANCHISEE:**
By: _____	By: _____
~~Name~~Its: _____	Its: _____
~~Its~~Date: _____	Date: _____

~~FRANCHISE OWNERS:~~

_____

~~Name:~~ _____

_____

~~Name:~~ _____

_____

~~Name:~~ _____

NEW EXHIBIT

EXHIBIT B-3

CONSENT TO TRANSFER

CONSENT TO TRANSFER

This **CONSENT TO TRANSFER** (this "**Consent**") is made as of _____ (the "**Effective Date**") by and among **SOFTROC GLOBAL, LLC**, a Delaware limited liability company ("**Franchisor**"), _____, a(n) _____ ("**Transferor**"), _____, a(n) _____ ("**Transferor Owner**"), _____, a(n) _____ ("**Transferee**"), and _____, a(n) _____("**Transferee Owner**"). Transferor, Transferor Owner, Transferee, and Transferee Owner are hereafter collectively referred to as the "**Franchisee Parties.**" All capitalized used but not defined in this Consent have the meaning given to them in Franchise Agreement (as defined below).

RECITALS

A. Franchisor and Transferor are parties to a certain franchise agreement dated _____ (the "**Franchise Agreement**") pursuant to which Transferor owns and operates the Franchised Business within the territory described therein;

B. Transferor has notified Franchisor that it wishes to sell, transfer, and convey the Franchised Business to Transferee, and Transferee wishes to purchase, own, and operate the Franchised Business, pursuant to the terms of that certain _____ dated _____ executed between _____ and _____ (the "**Transfer**"); and

C. Under the Franchise Agreement, the Transfer requires Franchisor's prior written consent, which it is willing to grant on the terms of this Consent.

AGREEMENT

IN CONSIDERATION of the foregoing, the covenants and agreements contained in this Consent, and other good and valuable consideration, receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. **Consent to Transfer and Waiver of Right of First Refusal**. Subject to the terms and conditions of this Consent, Franchisor hereby consents to the Transfer and waives its right of first refusal to acquire the Franchised Business. This Consent is strictly limited to the Transfer and will not be construed as Franchisor's consent to, or the waiver of its rights in respect of, any further or subsequent transfers, each of which will require Franchisor's separate prior written consent under the Franchise Agreement.

2. **Execution of New Franchise Agreement.** Under the Franchise Agreement, Franchisor may, and does hereby, condition its consent to the Transfer on Transferee's and Transferee Owner's execution, concurrently with the execution of this Consent, of the current form of franchise agreement for the Franchised Business, including all related documents such as Unlimited Guaranty and Personal Undertaking (collectively, the "**New Franchise Agreement**"). Therefore, concurrently with the execution of this Consent, Transferee and Transferee Owner will execute a New Franchise Agreement, which will from and after the Effective Date govern Transferee's ownership and operation of the Franchised Business.

3. **Termination of Franchise Agreement and Surviving Obligations**. Upon the execution of the New Franchise Agreement as described above, the Franchise Agreement shall be deemed automatically terminated; provided that, the termination of the Franchise Agreement does not (a) affect any obligations that arose or accrued under the Franchise Agreement (or any other related agreements to which they were a party) prior to the termination, or (b) release Transferor from any obligations that, as provided in the Franchise Agreement (or any other related agreements to which they were a party), survive or are

triggered by the termination of those agreements (including, for example, the post-termination obligations regarding payment of amounts owed, confidentiality, noncompetition, cessation of use of Marks and other intellectual property, and all other such obligations described in the Franchise Agreement, and the indemnification obligations thereunder with respect to claims arising from or based on events which occurred prior to termination).

4. **Payment of Transfer Fee**. Under the Franchise Agreement and as a condition of granting its consent to the Transfer, Franchisor may, and hereby does, require Transferor to pay a lump sum transfer fee equal to five thousand dollars ($5,000). Transferor agrees to pay or cause Franchisor to be paid, the transfer fee concurrently upon the execution of this Consent.

5. **Representations and Warranties**. The Franchisee Parties each, jointly and severally, represent and warrant to Franchisor that:

(i) Transferee is a legal entity that is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization;

(ii) each Franchisee Party has all requisite power and authority to be bound by the terms of this Consent and to carry out and perform its obligations under this Consent; and

(iii) except for Franchisor's consent, which will be granted on its execution of this Consent, all conditions precedent to the Transfer (including, without limitation, all required landlord consents, if applicable) have been satisfied or waived, and upon Franchisor' consent and upon Franchisor's consent the Franchised Business will be owned and operated by Transferee.

6. **Further Assurances**. Each Franchisee Party hereby covenants and agrees, at its own expense, to execute and deliver, at Franchisor's request and without additional consideration, such further instruments and to take such other action as Franchisor may request to more effectively consummate the Transfer and the effectiveness of this Consent.

7. **Release**. The Franchisee Parties on behalf of themselves and their current and former affiliates, and each of the foregoing persons' officers, directors, owners, employees, agents, representatives, affiliates, parents, divisions, successors and assigns, and all persons or firms claiming by, through, under, or on behalf of any or all of them (the "**Franchisee Group**") hereby release, acquit and forever discharge Franchisor, any and all of its past and present affiliates, parents, subsidiaries and related companies, divisions and partnerships, consultants, advisors and franchise sellers and its and their respective past and present officers, directors, owners, employees, agents, representatives, affiliates, parents, divisions, successors and assigns, and the spouses of such individuals (collectively, the "**Franchisor Group**") from any and all claims, liabilities, damages, expenses, actions or causes of action of any kind which any member of the Franchisee Group may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever (collectively "**claims**"), including any claims directly or indirectly arising out of or relating to the Franchise Agreement or the offer, sale or acceptance of the franchises related thereto (including, but not limited to any disclosures and representations made in connection therewith). The Franchisee Parties further covenant on behalf of the Franchisee Group not to sue any member of the Franchisor Group on any of the claims released by this paragraph, and warrant and represent that they have not assigned or otherwise transferred any claims released by this paragraph.

8. **Non-Disparagement**. The Franchisee Parties agree not to, and cause the other members of the Franchisee Group and any other person not to, directly or indirectly (i) disparage, discredit, or otherwise

speak negatively of any member of the Franchisor Group, the Softroc® brand and its franchisees, or any other brands owned by the members of the Franchisor Group, (ii) take any other action which would, directly or indirectly, subject any of the foregoing to ridicule, scandal, reproach, scorn, or indignity, or which would negatively impact or injure the goodwill of the System or the Marks; or (iii) take any other action which would constitute an act of moral turpitude and/or is or could reasonably become the subject of public scandal, disrepute, or infamy.

9. **Franchisor's Role**. The Franchisee Parties agree that (i) they have negotiated the Transfer without Franchisor's involvement, and (ii) Franchisor's only involvement in the Transfer transaction is limited to exercising its right of consent to the Transfer in accordance with the Franchise Agreement. The Franchisee Parties hereby represent to Franchisor that the Transfer will not violate any applicable laws or jeopardize the operations of the Franchised Business.

10. **Dispute Resolution**. Any disputes arising under this Consent shall be subject to and resolved in accordance with the choice of law and dispute resolution provisions of the Franchise Agreement (Section 18), the provisions of which are incorporated herein as though copied in their entirety.

11. **Binding Effect**. This Consent inures to the benefit of the parties and their respective successors and assigns and will be binding upon the parties and their respective successors, permitted assigns, and legal representatives. If there is any conflict between the provisions of this Consent and the provisions of the Franchise Agreement, the provisions of this Consent will prevail.

12. **Miscellaneous**. This Consent constitutes the entire understanding between the parties with respect to the matters it contemplates. All references in this Consent to the singular usage will be construed to include the plural and the masculine and neutral usages to include the other and the feminine. This Consent may be executed in multiple copies, each of which will be deemed an original. This Consent may be executed by electronic means.

[*Signature page follows*]

IN WITNESS WHEREOF, the parties have executed this Consent as of the Effective Date.

FRANCHISOR

SOFTROC GLOBAL, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

TRANSFEREE

_____,
a(n) _____

By: _____
Name: _____
Title: _____

TRANSFEROR

_____,
a(n) _____

By: _____
Name: _____
Title: _____

TRANSFEREE OWNER

a(n) _____

Sign: _____

TRANSFEROR OWNER

_____,
a(n) _____

Sign: _____

EXHIBIT ~~"G"~~B-4

TDC CONVERSION ADDENDUM

~~[See Attached]~~

SOFTROC GLOBAL, LLC

TDC CONVERSION ADDENDUM

TO THE FRANCHISE AGREEMENT

This TDC Conversion Addendum (this "**Addendum**") is entered into ~~as of _____, 202__ (the "Effective Date")~~ between Softroc Global, LLC, a Delaware limited liability company ("**we**" or "**us**") and _____, a(n) _____ ("**you**" ~~and together with us, the "Parties").~~) and is made part of that certain Franchise Agreement dated _____, between you and us for a Softroc® Franchised Business (the "**Franchise Agreement**"). All capitalized terms not defined herein will have the meaning ascribed to them in the Franchise Agreement.

~~Introduction~~

~~A. We offer a franchises for the operation of a business (a "Softroc Business") that operates under the name "Softroc" and specializes in the installation, cleaning, maintenance and repair of rubber safety surfacing solutions ("Softroc Services").~~

~~B. Softroc Businesses purchase and utilize EPDM rubber granules or SBR rubber granules that are combined with polyurethane binders ("Softroc Product") utilizing specialized mixing equipment to create the pour-in-place rubber safety surfacing material.~~

~~C. You are either a The Driveway Company® franchisee (a "TDC Franchisee") or an independent contractor authorized to offer Softroc Services pursuant to a Trademark License Agreement, Dealer Agreement or other agreement between you and Softroc, LLC, or an affiliate of Softroc, LLC (a "Dealer").~~

~~D. Concurrently with the execution of this Addendum, the Parties are executing a Softroc Franchise Agreement (the "Franchise Agreement"), pursuant to which we will authorize you to operate a Softroc Business utilizing our district operating system.~~

~~E. We are willing to offer you certain contractual concessions due to your status as a TDC Franchisee or Dealer in accordance with the terms and conditions of this Addendum.~~

~~F. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as set forth below.~~

AGREEMENT

1. **Franchise Fee**. The contents of Section 2.1 of the Franchise Agreement is hereby deleted in its entirety and replaced with the "[RESERVED]".

2. **Training**. Notwithstanding anything to the contrary in any applicable TDC Services Addendum, you will not be required to attend training for TDC Services, and/or pay the associated fee for such component of the Training Program.

~~1. **Initial Training / Initial Inventory Purchase Requirements**. If you have successfully completed the initial training program conducted by Rubaroc, Inc. (pertaining to the installation of Softroc Product) prior to the Effective Date, then we shall waive your obligation to: (a) make an initial $10,000 minimum purchase of Softroc Product and mixing equipment from Rubaroc, Inc. pursuant to Section 7.2 of the Franchise Agreement; and (b) attend any initial training program offered by Rubaroc, Inc. pursuant to Section 5.1 of the Franchise Agreement. If you have not successfully completed the initial training program conducted by Rubaroc, Inc. prior to the Effective Date, then you must either: (a) make an initial $10,000 minimum purchase of Softroc Product and mixing equipment from Rubaroc, Inc. pursuant to Section 7.2 of the Franchise Agreement (regardless of whether you already have any existing Softroc Product in stock); or (b) pay Rubaroc, Inc. the $3,000 initial training fee. In either case, you may not begin offering Softroc Services until you have~~

~~successfully completed the initial training program conducted by Rubaroc, Inc. and complied with all of your other pre-opening obligations set forth in the Franchise Agreement (except as modified by this Addendum).~~

~~2. **Separation of Business Operations.** If you are a TDC Franchisee, you must separately account for and report to us all Gross Sales pertaining to your Softroc Business. You must maintain separate books and records for your Softroc Business and your the Driveway Company® business. You must also comply with all requirements set forth in the Manual pertaining to the manner in which you may operate your Softroc Business in conjunction with your The Driveway Company® business to avoid public confusion or imply that Softroc Services are being offered under The Driveway Company® marks or are being provided as part of your The Driveway Company® business, including, without limitation, advertising and branding-related matters.~~

3. **Term**. ~~The term of this Addendum shall commence on the Effective Date and expire upon the termination or expiration~~Section 3.1 of the Franchise Agreement~~.~~ is hereby deleted in its entirety and replaced with the following language:

~~4. **Miscellaneous.**~~

This Agreement will begin on the date that we sign this Agreement (the "**Effective Date**") and will expire on the Expiration Date stated on the Summary Page. If no Expiration Date is specified on the Summary Page, this Agreement will expire on the scheduled expiration date of that certain franchise agreement between you and TDC Franchising LLC, under which you operated a franchise under the name "The Driveway Company®" prior to the date hereof.

4. ~~(a) Modification~~**Miscellaneous.** This Addendum ~~and~~, when executed, together with the Franchise Agreement ~~when executed~~, constitute the entire agreement and understanding between the parties with respect to the subject matter contained herein ~~and therein~~. Any and all prior agreements and understandings between the parties ~~and~~ relating to the subject matter contained in this Addendum ~~and the Franchise Agreement.~~, whether written or verbal, other than as contained within the executed Addendum and ~~the~~ Franchise Agreement, are void and have no force and effect. ~~In order to be binding between the Parties, any subsequent modifications must be in writing signed by the Parties.~~

~~(b) Effect on Franchise Agreement.~~ Except as specifically modified or supplemented by this Addendum, all terms, conditions, covenants and agreements set forth in the Franchise Agreement shall remain in full force and effect.

~~(c) Inconsistency.~~ In the event of any inconsistency between the executed Franchise Agreement and this Addendum, this Addendum shall prevail.

~~(d) Defined Terms. Any capitalized term that is not defined herein shall have the meaning ascribed to such term in the Franchise Agreement.~~

~~(e) Counterparts.~~ This Addendum may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same document. This Addendum may be executed by electronic means.

[*Signature Page to Follow*]

IN WITNESS WHEREOF, the parties ~~to this Agreement have~~hereto, intending to be legally bound hereby have duly executed this ~~Agreement effective as of the Effective Date first above written~~Addendum.

FRANCHISOR:	~~**YOU (If you are an entity)**~~**FRANCHISEE**:
SOFTROC GLOBAL, LLC~~,~~ ~~a Delaware limited liability company~~	_____~~,~~ ~~a(n)~~ _____ ~~**YOU (If you are not an entity):**~~ _____ _____ (insert legal name~~:~~ _____) _____ ~~Name:~~ _____ _____Sign:
~~By~~Sign: _____ Name: _____ ~~Its~~Title: _____	_____ Name: _____ _____ _____ _____ ~~Name~~Title: _____ _____ _____

NEW EXHIBIT

EXHIBIT B-5

TDC SERVICES ADDENDUM

SOFTROC GLOBAL, LLC

TDC SERVICES ADDENDUM

TO THE FRANCHISE AGREEMENT

This TDC Services Addendum ("**Addendum**") is entered into as of _____ (the "**Addendum Date**") between Softroc Global, LLC, a Delaware limited liability company ("**we**" or "**us**") and _____, a(n) _____ ("**you**") and is made part of that certain Franchise Agreement dated _____, between you and us for a Softroc® Franchised Business (the "**Franchise Agreement**"). All capitalized terms not defined herein will have the meaning ascribed to them in the Franchise Agreement.

AGREEMENT

1. **Authorization of TDC Services.** Subject to the terms and conditions of this Addendum, we hereby grant you the right to offer TDC Services as part of the Franchised Business. You hereby acknowledge and agree that from and after the Addendum Date, all TDC Services will be deemed part of the Franchised Business, and will be subject in all respects to the Franchise Agreement, except as modified hereby, including: (i) the obligation to comply with all of our System Standards, including as they relate to TDC Services; (ii) the obligation to pay Royalty Fees and Brand Fund Contributions on the basis of Collected Gross Revenue from the TDC Services; (iii) the obligation to secure all necessary license, permits, certificates, and insurance, and to comply with all applicable laws and regulations in conducting the TDC Services, (iv) the obligation to indemnify us and our affiliates for liabilities arising from the TDC Services; (v) the obligation to deliver financial, sales, and other reports to us, which will include reports relating to the TDC Services, subject to the terms of Section 5 below; (vi) our right to inspect the TDC Services, including field visits at any applicable job site; and (vii) our right to audit the books and records relating to TDC Services.

2. **Service Term.** Your rights to offer the TDC Services will begin on the earlier of the date that you first offered TDC Services or the Addendum Date, and will expire automatically and without further action or notice, on the sooner to occur of: (i) the expiration or termination of the Franchise Agreement, for any reason; or (ii) the termination hereof under Section 7 (the "**Service Term**").

3. **Marks and System**. For the purposes of the Franchise Agreement, you agree that: (i) the "**Marks**" will include the "The Driveway Company®" name, logo, and other trademarks and commercial symbols, and/or any other identifiers we authorize in connection with the TDC Services, and (ii) the "**System**" will include all systems, methods, designs, layouts, standards, and specifications associated with the TDC Services.

4. **Training Requirements**. Prior to providing any TDC Services, your Key Personnel must complete the then-current initial training program we require for franchisees offering TDC Services, to our satisfaction. You will pay us our then-current training fee for such training, in addition to any other fees attributable to the Training Program for your Softroc Business. The training program of the TDC Services will constitute part of the Training Program, as defined in the Franchise Agreement, and will in all respects remain subject to the terms in the Franchise Agreement applicable to the Training Program, including your obligation to pay for your and your Key Personnel's direct costs of attendance, and our right to charge our then-current training fee for any additional training that you request or we require.

5. **Separation of Reporting**. You must account for and report to us all Collected Gross Revenue derived from TDC Services separately from the Collected Gross Revenue otherwise arising from your Franchised Business.

6. **Discount Programs.** We may periodically establish discount programs for Royalty Fees for specific non-core product or services, though we are not obligated to do so. We may initiate, modify, or discontinue these discount programs at any time with notice to you. We may also condition these discounts on criteria we establish periodically, such as compliance with all agreements with us, and satisfaction of our criteria to offer the applicable products or services.

7. **Non-Compete**. For the duration of the Service Term and for a period of 2 years following expiration or termination of the Service Term, you agree that the definition of "**Competitive Business**" as used in the Franchise Agreement will include construction and repair services for commercial and residential driveways, including crack and joint sealing, driveway replacement, concrete pressure washing and/or other services and products the same as or similar to those provided as part of the TDC Services.

8. **Termination by Us**. You acknowledge and agree that we have the right to modify the products and services that may be offered by Softroc Businesses from time to time under the Franchise Agreement. As such, we may revoke our authorization for you to conduct TDC Services, and/or terminate this Addendum at any time, upon 60 days' notice to you. Additionally, we may terminate or suspend your right to conduct the TDC Services immediately upon notice to you if: (i) you or your Owners fail to comply with any terms of the Franchise Agreement or this Addendum, or any other agreement with us or our affiliates, and fail to cure such failure within the applicable cure period, if any; or (ii) we for any reason lose the right to authorize you to conduct TDC Services.

9. **Termination by You.** You acknowledge and agree that offering TDC Services is entirely optional. Should you voluntarily elect to offer TDC Services, you hereby acknowledge that your election to do so was based upon your own independent investigation. You may terminate this this Addendum at any time, upon 60 days' notice to us.

10. **Effects of Termination**. Upon termination of this Addendum for any reason, you must immediately: (a) cease offering and providing any TDC Services immediately; (b) comply with all obligations under Section 13.1 of the Franchise Agreement, as it relates to the TDC Services only, and not as it relates to any ongoing operations of the Franchised Business; and (c) pay us the amounts required under Section 13.2.1, on the basis of any Accounts Receivable generated from the TDC Services arising prior to termination. You acknowledge that notwithstanding any termination of this Addendum, the terms under this Addendum and the Franchise Agreement that either expressly or by their nature survive termination thereof, shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Addendum and will continue to apply to you and any TDC Services and until satisfied or by their nature expire, including, including the following provisions of the Franchise Agreement: Section 5.1 (Intellectual Property), Section 6 (Covenants), Section 11.14 (Insurance Coverage), Section 11.15 (Service Warranties), Section 13 (Rights and Duties Upon Expiration or Termination), Section 16 (Relationship and Indemnification), and Section 17 (General Conditions and Provisions), and Section 18 (Dispute Resolution).

11. **Release of Claims.** You acknowledge and agree that we have no obligation to authorize the offer of TDC Services, and therefore in consideration thereof, you, on behalf of yourself and your current and former parents, affiliates, and subsidiaries, and each of the foregoing person's respective

direct or indirect owners, officers, directors, employees, representatives, predecessors, spouses, heirs, principals, attorneys, agents, successors, and assigns (the "**Releasing Parties**"), individually and collectively, release and forever discharge with prejudice, us, our current and former parents, subsidiaries, and affiliates, and each of our and our current and former parents', subsidiaries', and affiliates' direct or indirect owners, officers, directors, employees, representatives, predecessors, spouses, heirs, principals, attorneys, agents, successors, and assigns (collectively, the "**Franchisor Parties**") of and from any and all claims, obligations, debts, proceedings, demands, causes of actions, liabilities, losses, damages, and rights of every kind and nature whatsoever, whether known or unknown, suspected or unsuspected, at law or in equity which any of them has, had or may have, from the beginning of time to the Addendum Date (collectively, "**Claims**"), including, without limitation, those arising out of or relating in any way to the Franchise Agreement, the relationship created by the Franchise Agreement, or the development, ownership, or operation of the Franchised Business. You, on behalf of yourself and on behalf of the other Releasing Parties, further covenant not to sue any of the Franchisor Parties on any of the Claims released by this Section and warrant and represent that any of the Releasing Parties have not assigned or otherwise transferred any Claims released by this Section.

12. **Miscellaneous.** This Addendum, when executed, together with the Franchise Agreement, constitute the entire agreement and understanding between the parties with respect to the subject matter contained herein. Any and all prior agreements and understandings between the parties relating to the subject matter contained in this Addendum, whether written or verbal, other than as contained within the executed Addendum and Franchise Agreement, are void and have no force and effect. Except as specifically modified or supplemented by this Addendum, all terms, conditions, covenants and agreements set forth in the Franchise Agreement shall remain in full force and effect. In the event of any inconsistency between the executed Franchise Agreement and this Addendum, this Addendum shall prevail. This Addendum may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same document. This Addendum may be executed by electronic means.

[*Signature Page to Follow*]

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby have duly executed this Addendum.

FRANCHISOR:	**FRANCHISEE**:
SOFTROC GLOBAL, LLC	_____
	(insert legal name)
Sign: _____	Sign: _____
Name: _____	Name: _____
Title: _____	Title: _____

EXHIBIT ~~"G" 1~~C

STATE ADDENDA

~~[See Attached]~~

EXHIBIT C

STATE ADDENDA ~~AND AGREEMENT RIDERS~~
~~ADDENDUM TO FRANCHISE AGREEMENT, SUPPLEMENTAL AGREEMENTS,~~

~~AND FRANCHISE DISCLOSURE DOCUMENT FOR~~

~~Softroc Global, LLC~~

FOR THE FOLLOWING STATES: CALIFORNIA, ~~HAWAII,~~ ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.

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.

FOR THE STATE OF CALIFORNIA~~:~~

1. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

2. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

3. Neither ~~the franchisor~~we, our parent, predecessor or affiliates nor any person ~~or franchise broker~~ in Item 2 of the ~~FDD~~Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a *et seq.*, suspending or expelling such persons from membership in ~~such~~that association or exchange.

~~4. The highest rate of interest allowed by California law is 10% annually.~~

4. ITEM 5 of the Disclosure Document is supplemented to add the following:

   - The Department of Financial Protection and Innovation requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and your Franchised Business is open for business.

5. ITEM 17 of the Disclosure Document is supplemented to add the following:

   - The Franchise Agreement requires you to sign a general release of claims upon renewal or transfer. California Corporations Code Section 31512 provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 might void a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 might void a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

   - The California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning transfer, termination, or non-renewal of a franchise. If the

Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

- The Franchise Agreement contains a covenant not to compete that extends beyond the term of the agreement. This provision might not be enforceable under California law.
- The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
- ~~5.~~ The Franchise Agreement requires binding arbitration. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement ~~or Supplemental Agreement~~ restricting venue to a forum outside the State of California.
- ~~6.~~ The Franchise Agreement ~~and Supplemental Agreements require~~requires application of the laws of the State of Texas. This provision may not be enforceable under California law.
- ~~7.~~ The Franchise Agreement ~~and Supplemental Agreements may provide~~provides for termination upon bankruptcy. ~~Any such~~This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. ~~Sec.~~Section 101 *et seq.*)~~.~~
- The following URL address is for the franchisor's website: www.softroc.com.

~~8. The Franchise Agreement and Supplemental Agreements may contain a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.~~

~~9. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable. Any such provisions contained in the Franchise Agreement or Supplemental Agreements may not be enforceable.~~

~~10. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer, or non-renewal of a franchise. If the Franchise Agreement or Supplemental Agreements contain a provision that is inconsistent with the California Franchise Investment Law, the California Franchise Investment Law will control.~~

~~11. You must sign a general release of claims if you renew or transfer your Franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).~~

6. ~~12. OUR~~FRANCHISOR'S WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF ~~FINANCIAL PROTECTION & INNOVATION~~BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT ~~OF FINANCIAL PROTECTION & INNOVATION AT https://dfpi.ca.gov/.~~BUSINESS OVERSIGHT AT https://dbo.ca.gov/.

~~13. You are not required to pay us any fees until we have completed all of our material pre-opening responsibilities to you and you commence operating the franchised business.~~

~~14. The Antitrust Law Section of the Office of the California Attorney General views maximum price agreements as per se violations of the Cartwright Act. As long as this represents the law of the State of~~

California, we will not interpret the Franchise Agreement as permitting or requiring maximum price limits.

15. No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

FOR THE STATE OF ILLINOIS:

1. ITEM 17 of the Disclosure Document is supplemented to add the following:

- Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the State of Illinois will apply.

In recognition of the requirements of the Illinois Franchise Disclosure Act, 815 ILCS 705, the Disclosure Document and the Franchise Agreement and Supplemental Agreements are amended as follows:

1. Illinois law shall apply to and govern the Franchise Agreement and Supplemental Agreements.

- 2. In accordance with Section 4 of the Illinois Franchise Disclosure Act, provides that any provision in thea franchise agreement and Supplemental Agreements that designatedthat designates jurisdiction andor venue in a forum outside of the State of IllinoiIllinois is void. However, thea franchise agreement and Supplemental Agreements may provide for arbitration to take place outside of Illinois.

3. Your rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

- 4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.
- Your rights upon termination and non-renewal of a franchise agreement or area development agreement are subject to sections 19 and 20 of the Illinois Franchise Disclosure Act.

FOR THE STATE OF MARYLAND

1. 5. The Franchise Agreement and Supplemental Agreements are amended to stateITEM 5 of the Disclosure Document is supplemented to add the following:

- All initial fees and payments shall be deferred until such time as the franchisor completes its initial obligations under the franchise agreement.

To the extent that any provision in the Illinois State Addendum is inconsistent with any provision in this Agreement, the provision in the Illinois State Addendum shall control.

FOR MARYLAND:

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law (the "Maryland Franchise Law"), the Disclosure Document is amended as follows:

2. 1. ITEM 17 of the Disclosure Document is amendedsupplemented to add the following:

- ~~a. The general~~Any release required as a condition of renewal, sale and/or assignment/transfer ~~shall~~will not apply ~~any~~to claims or liability arising under the Maryland Franchise Registration and Disclosure Law.
- The Franchise Agreement provides for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C.A. Section 101 *et seq.*), but we will enforce it to the extent enforceable.

- ~~b.~~ A franchisee may bring ~~a lawsuit~~suit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

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

- ~~d.~~ In the event of a conflict of laws ~~to the extent~~if required by the Maryland Franchise Registration and Disclosure Law, Maryland law shall prevail.
- This Franchise Agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

FOR THE STATE OF MINNESOTA

~~e. The Franchise Agreement and Supplemental Agreements provide for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et seq.).~~

~~In recognition of the requirements of the Maryland Franchise Law, the Franchise Agreement and Supplemental Agreements are amended to add the following:~~

~~a. Any claims arising under the Maryland Franchise Law must be brought within three (3) years after the grant of the franchise.~~

~~b. Pursuant to COMAR 02.02.08.16L, the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Law.~~

~~c. You may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Law.~~

~~d. Any acknowledgements or representations by you that disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Maryland Law are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Law.~~

1. ITEM 5 of the Disclosure Document is ~~amended~~supplemented to add the following:

~~"**Fee Deferral.** Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement."~~

- Liquidated Damages will not be enforced to the extent prohibited by applicable law.
- As a condition to becoming registered to offer and sell franchises in the State of Minnesota, we will defer your obligation to pay the initial franchise fee, until we have met our pre-opening obligations and you have commenced operation of the Franchised Business.

2. ~~The Franchise Agreement is amended to state~~ITEM 13 of the Disclosure Document is supplemented to add the following:

- Provided you have complied with all provisions of the Franchise Agreement applicable to the Marks, we will protect your rights to use the Marks and we will also indemnify you from any loss, costs, or expenses from any claims, suits, or demands regarding your use of the Marks in accordance with Minn. Stat. Section 80C.12, Subd. 1(g).

3. ITEM 17 of the Disclosure Document is supplemented to add the following:

~~"All initial fees and payments shall be deferred until such time as we complete our initial obligations."~~

~~**FOR MINNESOTA**~~

~~In recognition of the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Sections 80C.01 through 80C.22, and the Rules and Regulations promulgated pursuant thereto by the Minnesota Commission of Securities, Minnesota Rule 2860.4400, et. seq., the Disclosure Document, Franchise Agreement and Supplemental Agreements are amended as follows:~~

~~1. Minnesota Rule 2860.4400(D) prohibits us from requiring you to assent to a general release.~~

- ~~2. We will comply with~~With respect to franchises governed by Minnesota ~~Statute~~law, Minnesota Statutes, Section 80C.14, ~~Subds~~Subd. 3, 4, and 5, which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement ~~or Supplemental Agreement; and that consent to the transfer of the franchise will not be unreasonably withheld~~.

- ~~3.~~ Minnesota ~~Statute~~Statutes Section 80C.21 and Minnesota ~~Rule~~Rules 2860.4400(J) might prohibit us from requiring litigation to be conducted outside of Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties, or judgment notes. In addition, nothing in the ~~Franchise~~ Disclosure Document or Franchise Agreement(s) can abrogate or reduce any of your rights as provided for in Minnesota ~~Statues~~Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. ~~In addition, we will comply with the provisions of Minnesota Rule 2860.4400(J), which state that you cannot waive any rights, you cannot consent to our obtaining injunctive relief, we may seek injunctive relief, and a court will determine if a bond if required.~~Those provisions also provide that no condition, stipulation, or provision in the Franchise Agreement will in any way abrogate or reduce any of your rights under the Minnesota Franchises Law, including, if applicable, the right to submit matters to the jurisdiction of the courts of Minnesota.

~~4. We will comply with Minnesota Statute Section 80C.12, Subd. 1(g), which requires that we protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.~~

~~5. We will comply with Minnesota Statute Section 80C.17, Subd. 5 regarding limitation of claims.~~

- ~~6.~~ Any release required as a condition ~~to becoming registered to offer and sell franchises in the State of Minnesota, we will defer your obligation to pay the initial franchise fee, until we have met our pre-opening obligations and you have commenced operation of the Franchised Business. Therefore, notwithstanding anything to the contrary in Section 13.1 of the Franchise Agreement, payment of the initial franchise fee is due immediately at such time as when Franchisor has met its pre-opening obligations to Franchisee, and Franchisee has commenced~~

~~operation of the Franchised Business.~~of transfer or assignment will not apply to the extent prohibited by applicable law with respect to claims arising under Minnesota Rule 2860.4400(D).

FOR THE STATE OF NEW YORK~~:~~

~~In recognition of the requirements of the General Business Laws of the State of New York, Article 33, §§680 through 695, the Disclosure Document, Franchise Agreement and Supplemental Agreements are amended as follows:~~

1. The ~~following information is added to the~~ Cover Page of the Disclosure Document is supplemented to add the following:

   INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR ~~SERVICES OR~~SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN ~~THIS~~THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND ~~THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR~~ NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271.

   WE MAY, IF ~~IT CHOOSES~~WE CHOOSE, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. ~~The following is added at the end of~~ ITEM 3 of the Disclosure Document is supplemented to add the following:

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

   - ~~A.~~ No such party has an administrative, criminal or civil action pending against that person alleging: a felony~~,~~; a violation of a franchise, antitrust~~,~~ or securities law~~,~~; fraud, embezzlement, fraudulent conversion, misappropriation of property~~,~~; unfair or deceptive practices~~,~~; or comparable civil or misdemeanor allegations.
   - ~~B.~~ No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
   - ~~C.~~ No such party has been convicted of a felony or pleaded *nolo contendere* to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded *nolo contendere* to a misdemeanor charge or has been ~~the subject of~~held liable in a civil action alleging: violation of a franchise, ~~antifraud~~antitrust, or

securities law; fraud; embezzlement; fraudulent conversion ~~or~~; misappropriation of property; ~~or~~ unfair or deceptive practices; or comparable allegations.

- ~~D.~~ No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, State, ~~,~~ or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order ~~of~~or 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.

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

3. ITEM 4 of the Disclosure Document is supplemented to add the following:

- Neither the franchisor nor its affiliate, its predecessor, officers, or general partners or any other individual who will have management responsibility relating to the sale or operation of franchises offered by this Disclosure Document have, during the 10-year period immediately before the date of this Disclosure Document: (a) filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the U.S. Bankruptcy Code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of ours held this position in the company or partnership.

4. ITEM 5 of the Disclosure Document is supplemented to add the following:

- We apply the initial franchise fee to defray our costs for site review and approval, sales, legal compliance, salary, and general administrative expenses and profits.

5. ITEM 17 of the Disclosure Document is supplemented to add the following:

- However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections ~~687(4)~~687.4 and ~~687(5)~~687.5 be satisfied.

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

- You may terminate the Franchise Agreement on any grounds available by law.
- To the extent required by applicable law, no assignment will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under the Franchise Agreement.

~~5.~~ The ~~following is added to the end of the "Summary" sections of Item 17(v) of the Disclosure Document,~~

titled "**Choice of forum**", and Item 17(w) of the Disclosure Document, titled "governing choice of law":

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

FOR THE STATE OF NORTH DAKOTA:

1. ITEM 5 of the Disclosure Document is supplemented to add the following:

   - Pursuant to an order of the North Dakota Securities Commissioner, we will defer collection of the initial franchise fee and ither initial payments you owe us until we have completed all of our pre-opening obligations to you under the Franchise Agreement and you begin operating your Franchised Business.

2. ITEM 6 of the Disclosure Document is supplemented to add the following:

   - Liquidated Damages will not be enforced to the extent prohibited by applicable law.

In recognition of the requirements of the North Dakota Franchise Investment Law (the "North Dakota Franchise Law"), the Disclosure Document, Franchise Agreement and Supplemental Agreements are amended as follows:

1. Covenants not to compete are generally considered unenforceable in the State of North Dakota, pursuant to Section 51-19-09 of the North Dakota Franchise Law. Item 17(r) of the Disclosure Document and certain provisions in the Franchise Agreement and Supplemental Agreements include certain covenants restricting competition to which you must agree. The Commissioner has held that covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statue, are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Law. The Disclosure Document, Franchise Agreement and Supplemental Agreements are amended accordingly to the extent required by law.

2. Provisions requiring arbitration or mediation to be held at a location that is remote from the site of the franchisee's business are generally considered unenforceable in the State of North Dakota, pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law. Accordingly, the parties must agree on the site where arbitration or mediation will be held.

3. Provisions requiring jurisdiction in a state other than North Dakota are generally considered unenforceable in the State of North Dakota, pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law.

4. Provisions requiring that agreements be governed by the laws of a state other than North Dakota are generally considered unenforceable in the State of North Dakota, pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law.

5. Provisions requiring your consent to liquidated or termination damages are generally considered unenforceable in the State of North Dakota, pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law.

6. Provisions requiring you to sign a general release upon renewal of the franchise agreement have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

   - 7. ProvisionsSections of the Disclosure Document requiring you to pay all costs and expenses incurred by us in enforcing the franchise agreement have been determined to be

~~unfair, unjust and inequitable within the intent of~~agreement may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law~~.~~, and are amended accordingly~~, any such provision is modified to read that the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees~~ to the extent required by law.

~~8. Provisions requiring you to consent to a waiver of trial by jury have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.~~

~~9. Provisions requiring you to consent to a limitation of claims within one year have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Accordingly, any such provision is modified to read that the statute of limitations under North Dakota Law will apply.~~

~~10. Provisions requiring you to consent to a waiver of exemplary and punitive damages have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Invest Law.~~

~~11. You are not required to pay us any fees until we have completed all of our material pre-opening responsibilities to you and you commence operating the franchised business.~~

3. ITEM 17 of the Disclosure Document is supplemented to add the following:

- Post-termination covenants not to compete are generally considered unenforceable in the State of North Dakota; however, we and you will enforce the covenants to the maximum extent the law allows.
- To the extent required by the North Dakota Franchise Investment Law (unless such requirement is preempted by the Federal Arbitration Act), arbitration will be at a site to which you and we mutually agree.
- Subject to your arbitration obligation, and to the extent required by North Dakota Franchise Investment Law, you may bring an action in North Dakota.
- Except as otherwise required by North Dakota law, the laws of the state of Texas will apply.
- Any release required as a condition of renewal and/or assignment or transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

FOR THE STATE OF RHODE ISLAND~~:~~

1. ITEM 17 of the Disclosure Document is supplemented to add the following:

~~In recognition of the requirements of the Rhode Island Franchise Investment Act (the "Rhode Island Franchise Law"), the Disclosure Document, Franchise Agreement and Supplemental Agreements are amended as follows:~~

~~1. We will not require that you prospectively assent to a waiver, condition, stipulation, or provision that purports to relieve any person from liability imposed by the Rhode Island Franchise Law. This provision does not apply to the settlement of disputes, claims, or civil lawsuits brought under the Rhode Island Franchise Law.~~

- ~~2.~~ Section ~~19-28.1-14~~19-18.1-14 of the Rhode Island Franchise ~~Law~~Investment Act provides that ~~"~~"a provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.~~" If a claim is enforceable~~ To the

extent required by applicable law, Rhode Island law will apply to claims arising under the Rhode Island Franchise ~~Law, we will not restrict jurisdiction or venue to a forum outside the State of Rhode Island or require the application of the laws of another state.~~Investment Act."

~~3. We will not prohibit you from joining a trade association or association of franchisees. We will not retaliate against you for engaging in these activities.~~

~~4. Any provision in the Franchise Agreement that limits the time period in which you may assert a legal claim against us under the Rhode Island Franchise Law is amended to provide for a four (4) year statute of limitations for purposes of bringing a claim arising under the Rhode Island Franchise Law. Notwithstanding the foregoing, if a rescission offer has been approved by the Rhode Island director of business registration, then the statute of limitations is ninety (90) days after your receipt of the rescission offer.~~

FOR ~~VIRGINIA:~~

~~In recognition of the requirements of the Virginia Retail Franchising Act, the Disclosure Document, Franchise Agreement and Supplemental Agreements are amended as follows:~~**THE STATE OF VIRGINIA**

1. ITEM 17 of the Disclosure Document is ~~amended~~supplemented to add the following:

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

~~Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee/area developer to surrender any right given to him under the applicable agreement.~~

~~2. If any provision of the Franchise Agreement or any Supplemental Agreement involves the use of undue influence by the franchisor to induce a franchisee/area developer to surrender any rights given to him under the applicable agreement, that provision may not be enforceable.~~

~~3. We will not require that you prospectively assent to a waiver, condition, stipulation, or provision that purports to relieve any person from liability imposed by the Virginia Retail Franchising Act. This provision does not prohibit you and us from entering into binding arbitration consistent with the Virginia Retail Franchising Act.~~

~~4. Any provision in the Franchise Agreement or Supplemental Agreement that limits the time period in which you may assert a legal claim against us under the Virginia Retail Franchising Act is amended to provide for a four (4) year statute of limitations for purposes of bringing a claim arising under the Virginia Retail Franchising Act.~~

~~5. Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it shall be unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement or Supplemental 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.~~

FOR THE STATE OF WASHINGTON~~:~~

~~In recognition of the requirements of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW, the Disclosure Document, Franchise Agreement and Supplemental Agreements are amended as~~

~~follows:~~

1. ITEM 5 of the Disclosure Document is supplemented to add the following:

   - Pursuant to an order of the Department of Financial Institutions, we will defer collection of the initial franchise fee and other initial payments you owe us until we have completed all of our -pre-opening obligations to you under the Franchise Agreement and you have begun operating your Franchised Business.

2. ITEM 17 of the Disclosure Document is supplemented to add the following:

   - ~~1.~~ In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW, will prevail.

   - ~~2.~~ The State of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement ~~and Supplemental Agreements~~ in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement ~~and Supplemental Agreements~~ in your relationship with the franchisor including the areas of termination and renewal of your franchise. ~~In Washington, liquidated damages calculations must bear a "reasonable relation" to the franchisor's actual damages. Pursuant to Section 21.3 of the Franchise Agreement, the Franchisor agrees that in the event a franchise is re-sold within 30 days after termination, liquidated damages will be calculated as follows: (a) the product of your Average Monthly Fees multiplied by the lesser of (i) 12 months, or (ii) the number of full months remaining under the Term, (b) discounted to present value using a 7% discount factor.~~

   - ~~3.~~ In any arbitration ~~or mediation~~ involving a franchise purchased in Washington, the arbitration ~~or mediation~~ site ~~will~~shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration ~~or mediation~~, or as determined by the arbitrator ~~or mediator~~ at the time of arbitration ~~or mediation~~.

   - In ~~addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation~~the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, ~~in Washington~~Chapter 19.100 RCW will prevail.

   - ~~4.~~ A release or waiver of rights executed by a franchisee ~~may~~shall not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder 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 jury trial, may not be enforceable.

   - ~~5.~~ Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

   - ~~6.~~ Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted

annually for inflation). As a result, any provisions contained in the Franchise Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

- ~~7.~~ RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

~~8. The State Cover Page is amended to include the following risk factor:~~

~~"**Use of Franchise Brokers**. The franchisor uses the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor."~~

~~9. All fees referenced in Item 5 of this Disclosure Document are subject to deferral pursuant to order of the State of Washington. Accordingly, you will pay no fees to us until we have completed all of our material pre-opening responsibilities to you and you commence operating the franchised business.~~

~~10. Our affiliate, Restoration 1 Franchise Holding, LLC ("Restoration 1"), entered into an Assurance of Discontinuance ("AOD") with the Washington Attorney General's office ("AGO") on October 18, 2019. Under the AOD Restoration 1 agreed to permanently discontinue the use of and to no longer enforce "no-poach" language in Restoration 1's agreements which restricted the ability of franchisees to hire the employees from competing franchisees and from Restoration 1's corporate locations. Restoration 1 further agreed to notify the AGO of any efforts by a franchisee in Washington to enforce any existing "no-poach" provision, to proactively remove "no-poach" language from each Washington franchisee's franchise agreement and to remove "no-poach" language from all other Restoration 1 franchisees' agreements upon renewal.~~

APPLICABLE ADDENDA

If any one of the preceding Addenda for specific states ("**Addenda**") is checked as an "Applicable Addenda" below, then that Applicable Addenda shall be incorporated into the Franchise Disclosure Document, Franchise Agreement, Supplemental Agreements (if applicable) and any other specified agreement(s) entered into by us and the undersigned franchisee. To the extent any terms of an applicable Addenda conflict with the terms of the Franchise Disclosure Document, Franchise Agreement, Supplemental Agreement (if applicable) and other specified agreement(s), the terms of the Applicable Addenda shall supersede the terms of the Franchise Agreement.

☐	California	☐	Minnesota	☐	Virginia
☐	Illinois	☐	New York	☐	Washington
☐	Maryland	☐	North Dakota	☐	Rhode Island

Dated: _____, 202____

FRANCHISOR:

Softroc Global, LLC

By: _____

Title: _____

FRANCHISEE:

_____

By: _____

Title: _____

EXHIBIT D

TABLE OF CONTENTS OF CONFIDENTIAL OPERATIONS MANUAL

~~**EXHIBIT D**~~

~~**TO DISCLOSURE DOCUMENT**~~

TABLE OF CONTENTS OF ~~BRAND STANDARDS MANUAL~~

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Copyright Softroc 2021

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Topic	Page Count
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Pre-Open Checklist:	1 Page
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Sales Overview:	15 Pages
Marketing:	45 Pages
Management:	29 Pages
Legal:	1 Page
Total:	153 Pages

EXHIBIT ~~F~~E

~~TO DISCLOSURE DOCUMENT~~

FINANCIAL STATEMENTS

~~[See Attached]~~

UNAUDITED FINANCIAL STATEMENTS

SOFTROC GLOBAL, LLC
BALANCE SHEETS
January 1, 2023 to March 31, 2023
UNAUDITED FINANCIAL STATEMENTS

ASSETS

	YTD 2023	2022
Current Assets:		
Cash and cash equivalents	60,293	90,258
Accounts receivable, net	43,454	23,006
Prepaid expenses	10,922	13,522
Deferred costs, current	10,933	10,933
Total current assets	125,602	137,718
Property and equipment, net	61,830	68,013
Other assets:		
Intangibles, net	1,000,000	1,000,000
Deferred costs, net of current	87,141	87,141
Total other assets	1,087,141	1,087,141
Total assets	1,274,573	1,292,872

LIABILITIES AND MEMBER'S EQUITY

	YTD 2023	2022
Current liabilities:		
Accounts payable	(4,057)	20,726
Accounts payable, related party	206,268	39,973
Accrued expenses and other payables	16,719	28,698
Deferred revenue, current	32,330	32,330
Total current liabilities	251,261	121,727
Deferred revenue, net of current	263,022	263,022
Long term debt	150,000	150,000
Total liabilities	664,283	534,749
Member's equity	610,291	758,124
Total liabilities and members' equity	1,274,573	1,292,872

THESE FINANCIAL STATEMENTS WERE PREPARED WITHOUT AN AUDIT. INVESTORS IN OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS OR HER OPINION WITH REGARD TO THEIR CONTENTS OR FORM.

SOFTROC GLOBAL, LLC
STATEMENTS OF OPERATIONS
January 1, 2023 to March 31, 2023
UNAUDITED FINANCIAL STATEMENTS

STATEMENTS OF OPERATIONS

	YTD 2023	2022
Operating Revenues:		
Franchise fees	-	125,548
Royalty fees	46,650	138,769
Brand fund	5,186	14,329
Technology fees	21,800	64,900
Other revenue	4,000	16,187
Total operating revenues	77,636	359,732
Operating expenses:		
Advertising	36,072	158,331
Brand fund	22,785	-
Consulting	6,797	41,895
Depreciation	6,183	6,186
Franchise sales commissions	-	33,652
Insurance	-	-
Management fee	-	18,000
Office expense	149	7,830
Other expense	47,096	264,693
Professional fees	20,126	172,964
Salaries, wages, and benefits	66,566	175,770
Technology services	16,091	45,014
Travel and entertainment	3,602	23,325
Total operating expenses	225,469	947,660
Net loss from operations	(147,833)	(587,928)
Net loss	(147,833)	(587,928)

THESE FINANCIAL STATEMENTS WERE PREPARED WITHOUT AN AUDIT. INVESTORS IN OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS OR HER OPINION WITH REGARD TO THEIR CONTENTS OR FORM.

SOFTROC GLOBAL, LLC
STATEMENTS OF CASH FLOWS
January 1, 2023 to March 31, 2023
UNAUDITED FINANCIAL STATEMENTS

Statements of Cash Flows

	YTD 2023	2022
Cash Flows from operating activities		
Net Loss	(147,833)	(587,926)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	6,183	6,186
Bad debt expense	-	999
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(20,448)	(16,156)
Prepaid expenses	2,599	(9,230)
Deferred costs	-	(62,348)
Other assets	-	-
Increase (decrease) in:		
Accounts payable	(24,782)	19,567
Accounts payable, related party	166,295	(345,530)
Accrued expenses and other payables	(11,979)	14,156
Deferred revenue	-	161,852
Net cash used by operating activities	(29,965)	(818,430)
Cash Flows from investing activities		
Purchase of property and equipment	-	(68,700)
Net cash used by investing activities	-	(68,700)
Cash Flows from financing activities		
Contributions from member	-	877,124
Net cash used by financing activities	-	877,124
Net (decrease) increase in cash and cash equivalents	(29,965)	(10,006)
Cash and cash equivalents, beginning of period	90,258	100,264
Cash and cash equivalents, end of period	60,293	90,258

THESE FINANCIAL STATEMENTS WERE PREPARED WITHOUT AN AUDIT. INVESTORS IN OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS OR HER OPINION WITH REGARD TO THEIR CONTENTS OR FORM.

AUDITED FINANCIAL STATEMENTS

SOFTROC GLOBAL, LLC

FINANCIAL STATEMENTS

Years Ended December 31, 2022 and 2021

with

Independent Auditors' Report

SOFTROC GLOBAL, LLC
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HM&M
HUSELTON, MORGAN AND MAULTSBY

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Member of
Softroc Global, LLC

Opinion

We have audited the accompanying financial statements of Softroc Global, LLC (the "Company") (a subsidiary of Restoration 1 Franchise Holding, LLC), which comprise the balance sheet as of December 31, 2022, and the related statements of operations, member's equity, and cash flows for the year then ended, and the related notes to the financial statements.

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

Basis for Opinion

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

Prior Period Financial Statements

The financial statements of Softroc Global, LLC as of December 31, 2021, were audited by other auditors whose report dated March 2, 2022, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore 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.

Dallas, Texas
April 17, 2023

SOFTROC GLOBAL, LLC
BALANCE SHEETS
December 31, 2022 and 2021

ASSETS

	2022	2021
Current assets:		
Cash and cash equivalents	$ 90,258	$ 100,264
Accounts receivable, net	23,006	7,849
Prepaid expenses	13,522	4,292
Deferred costs, current	10,933	11,088
Total current assets	137,719	123,493
Property and equipment, net	68,014	5,500
Other assets:		
Intangibles, net	1,000,000	1,000,000
Deferred costs, net of current	87,141	24,638
Total other assets	1,087,141	1,024,638
Total assets	$ 1,292,874	$ 1,153,631

LIABILITIES AND MEMBER'S EQUITY

	2022	2021
Current liabilities:		
Accounts payable	$ 20,726	$ 1,159
Accounts payable, related party	39,972	385,502
Accrued expenses and other payables	28,698	14,542
Deferred revenue, current	32,330	38,370
Total current liabilities	121,726	439,573
Deferred revenue, net of current	263,022	95,130
Long term debt	150,000	150,000
Total liabilities	534,748	684,703
Member's equity	758,126	468,928
Total liabilities and member's equity	$ 1,292,874	$ 1,153,631

See accompanying notes to the financial statements.

SOFTROC GLOBAL, LLC
STATEMENTS OF OPERATIONS
Years Ended December 31, 2022 and 2021

	2022	2021
Operating Revenues:		
Franchise fees	$ 125,548	$ 51,000
Royalty fees	138,768	45,885
Brand fund	14,328	864
Technology fees	64,900	9,775
Other revenue	16,187	3,662
Total operating revenues	359,731	111,186
Operating expenses:		
Advertising	158,332	44,840
Consulting	41,895	8,000
Depreciation	6,186	-
Franchise sales commissions	33,652	17,488
Insurance	-	2,167
Management fee	18,000	7,000
Office expense	7,830	1,744
Other expense	264,688	23,337
Professional fees	172,964	166,368
Salaries, wages, and benefits	175,769	113,849
Technology services	45,015	1,308
Travel and entertainment	23,326	6,157
Total operating expenses	947,657	392,258
Net loss from operations	(587,926)	(281,072)
Net loss	$ (587,926)	$ (281,072)

See accompanying notes to the financial statements.

SOFTROC GLOBAL, LLC
STATEMENT OF CHANGES IN MEMBER'S EQUITY
Years Ended December 31, 2022 and 2021

Balance at December 31, 2020	$	750,000
Net loss		(281,072)
Balance at December 31, 2021		468,928
Contributions		877,124
Net loss		(587,926)
Balance at December 31, 2022	$	758,126

See accompanying notes to the financial statements.

SOFTROC GLOBAL, LLC
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Net loss	$ (587,926)	$ (281,072)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	6,186	-
Bad debt expense	999	-
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(16,156)	(7,849)
Prepaid expenses	(9,230)	-
Deferred costs	(62,348)	-
Other assets	-	(40,018)
Increase (decrease) in:		
Accounts payable	19,567	-
Accounts payable, related party	(345,530)	285,502
Accrued expenses and other payables	14,156	15,701
Deferred revenue	161,852	133,500
Net cash (used) provided by operating activities	(818,430)	105,764
Cash flows from investing activities:		
Purchase of property and equipment	(68,700)	(5,500)
Net cash used by investing activities	(68,700)	(5,500)
Cash flows from financing activities:		
Contributions from member	877,124	-
Net cash provided by financing activities	877,124	-
Net (decrease) increase in cash and cash equivalents	(10,006)	100,264
Cash and cash equivalents, beginning of year	100,264	-
Cash and cash equivalents, end of year	$ 90,258	$ 100,264

Supplemental Disclosures

	2022	2021
Non-cash investing and financing activities:		
Payment to seller on behalf of the Company by related party	$ -	$ 800,000

See accompanying notes to the financial statements.

SOFTROC GLOBAL, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

1. NATURE OF OPERATIONS

Softroc Global, LLC (the "Company"), is a master franchisor that offers franchises for the operation of a business specializing in the installation, cleaning, maintenance, and repair of rubber safety surfacing that serves as a long-lasting solution for existing concrete, asphalt, interlocking brick, tile, and other surfaces. The Company earns revenues predominantly from initial franchise fees, royalty fees, and advertising fee revenues.

The Company was organized and formed on March 1, 2021, under the laws of the state of Delaware and is a wholly-owned subsidiary of Restoration 1 Franchise Holding, LLC.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Recently Adopted Accounting Pronouncements

In January 2021, the Financial Accounting Standards Board issued Accounting Standards Update 2021-02: *Franchisors – Revenue from Contracts with Customers* ("ASU 2021-02") which provides a practical expedient to nonpublic franchisors for applying FASB Topic 606 to pre-opening services. The guidance allows for all pre-opening service obligations to be bundled and considered one single performance obligation rather than each pre-opening service (site selection, training, quality control, information technology, etc.) being its own standalone performance obligation. The Company elected to apply the practical expedient, see Note 7 for further discussion.

The Financial Accounting Standards Board issued Accounting Standards Update No. 2016-02, *Leases,* which supersedes the previous lease requirements in Accounting Standards Codification ("ASU") 840. The ASU requires lessees to recognize a right-to-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases are classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of operations. Management has evaluated the requirements of the new standard and determined it does not have a material impact on the financial statements.

Use of Estimates

Management uses estimates and assumptions in preparing the financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used for financial reporting purposes.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Fair Value of Financial Instruments

The Company's financial instruments, none of which are held for trading purposes, include cash and cash equivalents, accounts receivable, accounts payable, and accrued expenses. Management estimates that the fair value of all financial instruments as of December 31, 2022 and 2021 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying financial statements.

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to a concentration of a credit risk principally consist of cash and trade receivables. The Company's franchisees operate throughout the United States. To reduce credit risk, the Company performs ongoing credit evaluations of its franchisees' financial condition.

In the normal course of business, the Company may have bank account balances in excess of federally insured limits. If cash balances exceed the amounts covered by insurance provided by the Federal Deposit Insurance Corporation, the excess balances could be at risk of loss. The Company does not have any balances at risk of loss at December 31, 2022.

Accounts Receivable

The Company's accounts receivable are primarily due from franchisees for monthly royalty fees. The allowance for doubtful accounts receivable represents the Company's estimate of potential accounts receivable write-offs associated with recognized revenue based on historical trends and factors surrounding the credit risk of specific franchisees. The Company writes off accounts receivable when franchises have resold or are terminated and other means for collection have been exhausted. Payments subsequently collected are credited back to the provision for doubtful accounts in the period the payments are received.

The Company considered all accounts receivable to be collectible as of December 31, 2022, and 2021; therefore no allowance is considered necessary.

Costs to Obtain Contracts with Customers

The Company capitalizes incremental contract cost associated with obtaining franchise contracts which include broker fees, sales commissions, and general fees that would not have been incurred had the franchise sale not occurred. These costs are reported as deferred costs (assets) and are expensed pro-rata similarly to franchise fee revenue with a portion being recognized as a pre-opening services cost and the remaining on a straight-line basis over the term of the underlying franchise agreement. Amortization of deferred costs is included in commission expenses in the Statements of Operations.

Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset to be tested for possible impairment, the Company first compares undiscounted cash flows expected to be generated by an asset to the carrying value of the asset. If the carrying value of the long-lived asset is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values, and third-party independent appraisals, as considered necessary.

Property and Equipment

Property and equipment are stated at cost. The Company capitalizes assets with useful lives greater than one year and a value of more than $1,000. Depreciation is computed using the straight-line method over the estimated useful lives of the depreciable assets. The estimated useful lives range from three to five years. Repairs and maintenance costs that do not substantially increase the useful lives of the property and equipment are expensed as incurred.

Intangible Assets

Intangible assets are recorded at their estimated fair values as of the date of acquisition. Intangible assets with indefinite lives consist of the Company's trade name.

Income Taxes

Under existing provisions of the Internal Revenue Code, the income or loss of a limited liability company is recognized by the individual member for federal income tax purposes. Accordingly, no provision for federal income tax has been provided for in the accompanying financial statements. However, the Company remains liable for state income taxes.

Management has evaluated the Company's tax positions and has not identified any material uncertain tax positions that would not be sustained in a federal or state income tax examination. Accordingly, no provision for uncertainties in income taxes has been made in the accompanying financial statements. The Company is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Advertising

Advertising and promotion costs related directly to franchisees are expensed as incurred and are included in advertising expenses in the Statement of Operations. All general advertising and promotion costs of the Company are allocated as operating expenses in the Statements of Operations. Total advertising and promotion expenses, including those for the direct benefit of franchisees for the years ended December 31, 2022 and 2021 total $158,332 and $44,840, respectively.

Reclassification

Certain reclassifications have been made to the presentation of the financial statements for the year ended December 31, 2021, to correspond with the current year's financial statement format. Total member's equity and net loss are unchanged due to these classifications.

3. BUSINESS COMBINATIONS

On March 3, 2021, Softroc Global, LLC acquired the trade names and trademarks of Softroc, LLC ("Sofroc Business System") for $1,000,000. Consideration transferred consisted of $50,000 in cash, a payable in the amount of $700,000, and a contingent liability in the amount of $250,000. In September 2021, $100,000 of the contingent liability was paid. The remaining contingent liability balance of $150,000 is payable within 60 days after the close of the first twelve-month period that the Company generates $5,000,000 of revenue from the Softroc Business System.

4. ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable by major classification at December 31, 2022, and 2021:

	2022	2021
Franchise fees	$ -	$ 3,819
Royalty fees	10,162	-
Brand fund	1,008	368
Technology fees	450	-
Other receivables	11,386	3,662
Less: allowance for doubtful accounts	-	-
Total	$ 23,006	$ 7,849

Bad debt expense for the years ended December 31, 2022 and 2021 total $999 and $0, respectively.

5. PROPERTY AND EQUIPMENT

The following is a summary of property and equipment by major classification and the related accumulated depreciation at December 31, 2022 and 2021:

	2022	2021
Software	$ 74,200	$ -
Less: accumulated depreciation	(6,186)	-
Property and equipment - depreciable, net	68,014	-
Software in development	-	5,500
Property and equipment, net	$ 68,014	$ 5,500

Depreciation expense for the years ended December 31, 2022 and 2021 totals $5,686 and $0, respectively.

6. LONG-TERM DEBT

In relation to the business combination of Softroc Global, LLC on March 3, 2021, the Company has a contingent liability of $150,000 due to the former owner of Softroc Global, LLC. The liability is due within 60 days after the close of the first twelve-month period that the Company generates $5,000,000 of revenue from Softroc Global, LLC. The Company cannot reasonably estimate the year in which the contingent payment will be due, therefore, the liability is included in long-term debt in the accompanying Balance Sheets.

7. REVENUE RECOGNITION

The Company generates franchise revenues through royalties, initial and successor franchise fees, transfer fees, and other fees. The Company's primary performance obligations under the franchise license is providing certain pre-opening services and granting certain rights to use the Company's intellectual property. All other services the Company provides under the franchise agreement are highly interrelated, not distinct within the contract, and therefore accounted for as a single performance obligation, which is satisfied by granting certain rights to use intellectual property over the term of each franchise agreement.

The Company has elected not to adjust consideration for the effects of financing which is allowable under a practical expedient when the period between the receipt of payment and the transfer of the goods or services to the customer is one year or less.

The Company does not believe the contracts contain any terms that would result in variable consideration that should be considered in the transaction price. Thus, the transaction price for financial reporting purposes is the total value of the franchise agreement, excluding royalty fees, brand fund fees, and tech fees.

Royalty and Brand Fund Revenues

Royalties, including franchisee contributions to national advertising funds, are calculated as a percentage of franchise monthly dues and annual fees over the term of the franchise agreement. The franchise royalties represent sales-based royalties that are related entirely to the performance obligation under the franchise agreement and are recognized as franchise sales occur. Additionally, contributions to national advertising funds are due monthly and are recognized in income when earned.

Franchise Licenses

Initial and successor franchise fees are payable by the franchisee upon signing a new franchise agreement or successor franchise agreement, and transfer fees are paid to the Company when one franchisee transfers a franchise agreement to a different franchisee. As stated in Note 2, the Company has elected the practical expedient available for the recognition of income related to franchise licenses. Accordingly, franchise licenses revenue recognition includes two performance obligations: 1) pre-opening services, 2) ongoing assistance and continued

access to the brand's intellectual property provided to that franchisee through the term of the franchise agreement. Pre-opening services revenue is recognized once the services have been provided and the franchisee commences business operations. The Company recognizes franchise fee revenue of $17,000 for pre-opening services based on an estimate of the cost of specific goods and services provided. The remaining franchisee fee revenue is amortized on a straight-line basis over the term of the franchise agreement.

Franchise fee revenue disaggregated by type for the year ended December 31, 2022, and 2021 is as follows:

	2022	2021
Pre-opening revenue	$ 102,000	$ 51,000
Ongoing revenue	23,548	-
Total	$ 125,548	$ 51,000

Contract assets consist of deferred costs related to obtaining franchise contracts, such as broker fees, sales commissions, and general fees. The following table reflects the change in contract assets:

	2022	2021
Beginning balance	$ 35,726	$ -
Increase	96,000	53,214
Expense recognized	(33,652)	(17,488)
Ending balance	$ 98,074	$ 35,726

The following table illustrates estimated costs expected to be expensed in the future related to performance obligations that are unsatisfied (or partially unsatisfied) as of December 31, 2022.

2023	$ 10,933
2024	10,933
2025	10,933
2026	10,933
2027	10,933
Thereafter	43,409
Total	$ 98,074

Contract liabilities consist of deferred revenue resulting from initial and successor franchise fees, as well as transfer fees. The following table reflects the change in contract liabilities:

	2022	2021
Beginning balance	$ 133,500	$ -
Increase	287,400	184,500
Revenue recognized	(125,548)	(51,000)
Ending balance	$ 295,352	$ 133,500

The following table illustrates estimated revenues expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) as of December 31, 2022. The Company has elected to exclude short-term contracts, sales and usage-based royalties, and any other variable consideration recognized on an "as invoiced" basis.

2023	$	32,330
2024		32,330
2025		32,330
2026		32,330
2027		32,330
Thereafter		133,702
Total	$	295,352

8. RELATED PARTY TRANSACTIONS

The Company enters into various transactions and arrangements with Restoration 1 Franchising Holding, LLC ("Restoration") and other affiliated entities owned by Restoration.

The following is a summary of accounts payable, related party as of December 31, 2022, and 2021:

		2022		2021
Restoration 1 Franchise Holding, LLC	$	1,165	$	365,542
BlueFrog Plumbing & Drain, LLC		4,764		-
TDC Franchising, LLC		25,043		19,960
FranXperts, LLC		9,000		-
Total	$	39,972	$	385,502

The Company participates in a shared services agreement with Restoration for the related party to provide various shared services. These services include strategic planning and oversight, oversight of new franchisee onboarding and training, supply chain assistance, marketing and advertising, back office support (legal, accounting, technology), and various other management services. The Company paid $195,740 and $22,945 for these services for the years ended December 31, 2022, and 2021, respectively. These expenses are reported in other expenses in the accompanying Statements of Operations.

Stellar participates in a management agreement with an affiliated entity. The agreement calls for $112,500 quarterly payments as part of the compensation consideration to be paid under the agreement. These payment obligations are allocated among various related entities. The Company was allocated $18,000 and $7,000 for these services for the years ended December 31, 2022, and 2021, respectively. These expenses are reported in management fee in the accompanying Statements of Operations.

9. COMMITMENTS AND CONTINGENCIES

From time to time, the Company is subject to claims and lawsuits that arise primarily in the ordinary course of business. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position, results of operations, and cash flows of the Company. Events could occur that would change this estimate materially in the near term.

10. SUBSEQUENT EVENTS

The Company has evaluated subsequent events from the balance sheet date through April 17, 2023, the date at which the financial statements were available to be issued, and determined there are no items to disclose.

EXHIBIT F

LIST OF CURRENT FRANCHISEES
AND LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM
AS OF DECEMBER 31, 2022

~~EXHIBIT E~~

~~TO DISCLOSURE DOCUMENT~~

~~LIST OF FRANCHISEES~~

~~Part A~~ ~~(Current Franchisees)~~

~~The following table lists our~~**List of Current Franchisees ~~that were open~~ as of December 31, ~~2021.~~2022**

~~FRANCHISEES OPEN AS OF DECEMBER 31 , 2021~~							
~~State~~	~~City~~Franchisee	~~Zip Code~~ ~~Phone~~Address	City	State	Zip	~~Owner Name(s)~~Telephone	
1.~~Alabama~~	WHHG Incorporated Bill George ~~Pelham~~SR of Birmingham	~~35124~~ ~~205-704-4779~~348 Oxford Way	Pelham	Alabama	35124	~~Bill George~~205-704-4779	
2.	Joey Slaybe/Ziad El Chantiry SR of Coral Springs	1308 Royal St. George Blvd	Champions Gate	Florida	33896	603-660-0814	
3.	Joey Slaybe/Ziad El Chantiry SR of Coral Springs	1308 Royal St. George Blvd	Champions Gate	Florida	33896	603-660-0814	
4.	Joey Slaybe/Ziad El Chantiry SR of Coral Springs	1308 Royal St. George Blvd	Champions Gate	Florida	33896	603-660-0814	
5.	Joey Slaybe/Ziad El Chantiry SR of Coral Springs	1308 Royal St. George Blvd	Champions Gate	Florida	33896	603-660-0814	
6.~~Florida~~	Joe DeCato ~~Fruit Cove~~SR of Jacksonville	~~32259~~ ~~203-231-8809~~1005 Flora Parke ~~Dr~~Drive	Fruit Cove	Florida	32259	~~Joe DeCato~~203-231-8809	
7.~~Florida~~	LEDA Solutions LLC Daniel Almenara Leslie Soto SR of Miami	~~33155~~ ~~305-800-7325~~6433 SW 34th ~~St~~Street	Miami	Florida	33155	~~Daniel Almenara~~ ~~Leslie Soto~~305-800-7325	
8.~~Florida~~	BEC Partners Bryan Caracciolo Brandon Ehlers Samuel Crafton Bryant III ~~Tampa~~SR of Ocala	~~33629~~ ~~352-427-3348~~4011 W. San Luis ~~St~~Street	Tampa	Florida	33629	~~Bryan Caracciolo~~ ~~Brandon Ehlers~~ ~~Samuel Crafton Bryant III~~352-427-3348	
~~Oklahoma~~	~~New Castle~~	~~3450 NW 18th St~~		~~73065~~		~~405-210-5036~~	~~Cody Clark~~
~~Oklahoma~~	~~New Castle~~	~~3450 NW 18th St~~	~~73065~~	~~405-210-5036~~	~~Cody Clark~~		
~~Texas~~	~~Lago Vista~~	~~21718 Sierra Trail~~	~~78645~~	~~907-244-6488~~	~~Scott Cuthbert~~		
~~Texas~~	~~Lago Vista~~	~~21718 Sierra Trail~~	~~78645~~	~~907-244-6488~~	~~Scott Cuthbert~~		

The following table lists franchisees with signed franchise agreements that were not open as of December 31, 2021.

FRANCHISEES NOT OPEN AS OF DECEMBER 31 , 2021						
State	City	Address	Zip Code	Phone	Owner Name(s)	
Florida[1]	TBD	TBD	TBD	704-414-0040	Mary Gee	
9.Florida	BEC Partners Samuel Crafton Bryant IV Bryan Caracciolo Brandon Ehlers Samuel Crafton Bryant III SR of Tampa	33629 352-427-3348 4011 W. San Luis St Street	Tampa	Florida	33629	Samuel Crafton Bryant IV Bryan Caracciolo Brandon Ehlers Samuel Crafton Bryant III 352-427-3348
10.	James Matthew Wood, IV, Michael Charles O'Connor, Jon Ostenson and Tillman Douglas 595 Ventures LLC SR of Atlanta 1	2142 McKinley Road	Atlanta	Georgia	30318	404-414-1140
11.	James Matthew Wood, IV, Michael Charles O'Connor, Jon Ostenson and Tillman Douglas 595 Ventures LLC SR of Atlanta 2	2142 McKinley Road	Atlanta	Georgia	30318	404-414-1140
12.	James Matthew Wood, IV,	2142 McKinley Road	Atlanta	Georgia	30318	404-414-1140

FRANCHISEES NOT OPEN AS OF DECEMBER 31 , 2021						
State	City	Address	Zip Code	Phone	Owner Name(s)	
	Michael Charles O'Connor, Jon Ostenson and Tillman Douglas 595 Ventures LLC SR of Atlanta 3					
13.	Jeff Krull JD Krull Incorporated SR of Naperville	2449 Remington Drive	Naperville	Illinois	60565	312-608-7550
14.North Carolina	Daniel Russell Lisa Russell SR of Charlotte 1	28226 828-455-55073836 Mooreland Farms RdRoad	Charlotte	North Carolina	28226	Daniel Russell Lisa Russell828-455-5507
15.North Carolina	Daniel Russell Lisa Russell SR of Charlotte 2	28226 828-455-55073836 Mooreland Farms RdRoad	Charlotte	North Carolina	28226	Daniel Russell Lisa Russell828-455-5507
16.South Carolina	CDOT Enterprise LLC GreenvilleCody Clark	107 Sandra Avenue 29611 910-777-19883450 NW 18th Street	New Castle	Oklahoma	73065	Nathan Bocock Austin Taylor405-210-5036
17.	CDOT Enterprise LLC Cody Clark	3450 NW 18th Street	New Castle	Oklahoma	73065	405-210-5036
18.South Carolina	TDC of Columbia LLC Nathan Bocock	29204 910-777-19881655 Tanglewood RdRoad	Columbia	South Carolina	29204	Nathan Bocock910-777-1988
19.	TDC of Greenville LLC Nathan Bocock Austin Taylor	107 Sandra Avenue	Greenville	South Carolina	29611	910-777-1988
20.Tennessee	Lauren Johnson	37209 901-647-45296680 S. Upton CtCourt	Nashville	Tennessee	37209	Lauren Johnson901-647-4529

FRANCHISEES NOT OPEN AS OF DECEMBER 31 , 2021						
State	City	Address	Zip Code	Phone	Owner Name(s)	
	SR of West Nashville					
21.	Cuthbert Enterprises, Inc. Scott Cuthbert SR of Round Rock 1	21718 Sierra Trail	Lago Vista	Texas	78645	907-244-6488
22.	Cuthbert Enterprises, Inc. Scott Cuthbert SR of Round Rock 2	21718 Sierra Trail	Lago Vista	Texas	78645	907-244-6488
23.	Matt Myers Carly Myers SR of Lubbock	1004 Monticello	Lubbock	Texas	79416	806-470-8546
24. Texas	Madison Clark SR of McKinney	75070 214-208-5959 4423 Cedar Crest D. Drive	McKinney	Texas	75070	Madison Clark 214-208-5959
25. Texas	Greg Farkas SR of N. Richland Hills	76182 682-732-7325 7116 Oldham Place	North Richland Hills	Texas	76182	Greg Farka 682-732-7325

Franchise Agreement Signed But Outlet Not Yet Open as of December 31, 2022

~~Texas~~Owner Name(s)	~~Lubbock 1004 Monticello~~Address	~~79416~~City	~~806-470-8546~~State	Zip Code	~~Matt Myers Carly Myers~~Phone
~~Utah~~Mary Gee	~~Highland 5848 Park West Rd~~TBD	~~84003~~TBD	~~972-898-1790~~Florida [1]	TBD	~~Trevor Lambert~~704-414-0040
~~Utah~~Jim Stepnoski	~~Highland 5848 Park West RD~~2378 Golf Vista Blvd.	~~84003~~Rockledge	~~972-898-1790~~Florida	32955	~~Trevor Lambert~~571-236-7285
Marcus Sanchez	3322 Sainte Mere Eglise Ln.	Spring	Texas	77388	917-328-2507

Notes:

1. This franchisee currently lives in Texas but plans to open in Florida. The location for her ~~Florida~~ franchised business has not yet been determined.

~~Part B (Former~~ Franchisees ~~Who~~that Left the System ~~During Prior Fiscal Year)~~ as of December 31, 2022

~~State~~Owner Name(s)	City	State	~~Current Business Phone or~~ Last Known ~~Home~~ Phone	~~Owner Name(s~~Reason (i.e., Termination/Transfer)
~~None~~ Trevor Lambert	Wasatch Front	Utah	801-542-9438	Termination
Trevor Lambert	Wasatch Front	Utah	801-542-9438	Termination

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

~~**EXHIBIT H**~~

~~**TO DISCLOSURE DOCUMENT**~~

~~**STATE EFFECTIVE DATES**~~

NEW YORK REPRESENTATIONS PAGE

FRANCHISOR REPRESENTS THAT THIS FRANCHISE DISCLOSURE DOCUMENT DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

State Effective Dates

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

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	~~August 3, 2022, as amended January 13, 2023~~Pending
~~Hawaii~~	~~Not registered~~
Illinois	~~April 29, 2022, as amended December 16, 2022~~Exempt
Indiana	~~June 24, 2022, as amended December 16, 2022~~Pending
Maryland	~~May 10, 2022, as amended January 26, 2023~~Pending
Michigan	~~June 29, 2021, as amended December 15, 2022~~April 24, 2023
Minnesota	~~May 31, 2022, as amended January 5, 2023~~Pending
New York	~~August 14, 2022, as amended January 24, 2023~~Exempt
North Dakota	~~May 11, 2022, as amended December 20, 2022~~Pending
Rhode Island	~~June 29, 2022, as amended December 28, 2022~~Pending
South Dakota	~~May 10, 2022, as amended December 15, 2022~~Pending
Virginia	~~August 3, 2022, as amended December 20, 2022~~Pending
Washington	~~July 15, 2022, as amended December 23, 2022~~Pending
Wisconsin	~~May 2, 2022, as amended December 15, 2022~~April 24, 2023

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

EXHIBIT ~~I~~G

~~TO DISCLOSURE DOCUMENT~~

RECEIPTS

~~[See Attached]~~

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 Softroc Global, LLC offers you a franchise, it must provide this disclosure document to you 14 days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Under Iowa law, Softroc Global, LLC must give you this disclosure document at the earlier of its 1st personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, Softroc Global, LLC or an affiliate in connection with the proposed franchise sale. Under Michigan law, Softroc Global, LLC must give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. Under New York law, Softroc Global, LLC must provide this disclosure document at the earlier of the 1st personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, Softroc Global, LLC or an affiliate in connection with the proposed franchise sale.

If Softroc Global, LLC does not deliver this disclosure document on time, or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, ~~DC~~D.C. 20580, and the appropriate state agency listed in Exhibit ~~"~~A~~" to this Disclosure Document.~~ .

Softroc Global, LLC's registered agents ~~for~~authorized to receive service of process are ~~listed in~~set forth on Exhibit ~~"B" to this Disclosure Document~~A.

Date of Issuance: April ~~26, 2022, as amended December 14, 2022~~24, 2023

The franchise seller(s) ~~for~~involved with the sale of this ~~offering~~franchise are:

____ ~~Christina Rogers~~Jessica Wescott, 2929 Carlisle St., Suite 100, Dallas, Texas 75204, (~~254~~866) ~~793-7798~~606-9681

____ ~~Jessica Wescott~~Caleb Ward, 2929 Carlisle St., Suite 100, Dallas, Texas 75204, (~~866~~940) ~~606-9681~~781-9850

____ ~~Caleb Ward~~Courtney Harmon, 2929 Carlisle St., Suite 100, Dallas, Texas 75204, (940) 781-9850

____ _____ _____ (insert name, if applicable)

I have received a disclosure document dated April ~~26, 2022, as amended December 14, 2022. State registration effective dates are listed on the State Effective Dates page. The disclosure document~~24, 2023 that included the following Exhibits:

~~EXHIBIT "A" State Agencies and Administrators~~
~~EXHIBIT "B" Agents for Service of Process~~
~~EXHIBIT "C" Franchise Agreement~~
~~EXHIBIT "D" Table of Contents of the confidential Brand Standards Manual~~
~~EXHIBIT "E" List of Franchisees~~
~~EXHIBIT "F" Financial Statements of Softroc Global, LLC~~
~~EXHIBIT "G"-1 State Addenda~~
~~EXHIBIT "G"-2 Franchisee Disclosure Questionnaire~~
~~EXHIBIT "G"-3 General Release~~
~~EXHIBIT "G"-4 Conversion Addendum~~
~~EXHIBIT "H" State Effective Dates~~
~~EXHIBIT "I" Receipts~~

Exhibit A	State Administrators / Agents for Service of Process	Exhibit C	State Addenda to Disclosure Document
Exhibit B-1	Franchise Agreement	Exhibit D	Table of Contents of Confidential Operations Manual

Exhibit B-2	Sample General Release	Exhibit E	Financial Statements
Exhibit B-3	Consent to Transfer	Exhibit F	List of Current and Former Franchisees
Exhibit B-4	TDC Conversion Addendum	Exhibit G	Receipts
Exhibit B-5	TDC Services Addendum		

Please sign and print your name below, date and return one copy of this receipt and keep the other for your records.

If a business entity:

_____
(Name of Business Entity)
Sign: _____
Title: _____
Name: _____
Dated: _____

If an individual:

_____
(Name of Individual)
Sign: _____
Dated: _____

[KEEP THIS RECEIPT FOR YOUR RECORDS]

RECEIPT

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If Softroc Global, LLC does not deliver this disclosure document on time, or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, ~~DC~~D.C. 20580, and the appropriate state agency listed in Exhibit ~~"~~A~~" to this Disclosure Document.~~ .

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_____ ~~Caleb Ward~~Courtney Harmon, 2929 Carlisle St., Suite 100, Dallas, Texas 75204, (940) 781-9850

_____ _____ _____ (insert name, if applicable)

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Exhibit A	State Administrators / Agents for Service of Process	Exhibit C	State Addenda to Disclosure Document
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Exhibit B-5	TDC Services Addendum		

Please sign and print your name below, date and return one copy of this receipt and keep the other for your records.

If a business entity:

_____
(Name of Business Entity)
Sign: _____
Title: _____
Name: _____
Dated: _____

If an individual:

_____
(Name of Individual)
Sign: _____
Dated: _____

[RETURN THIS COMPLETED RECEIPT]