FRANCHISE DISCLOSURE DOCUMENT

Softroc Global, LLC
a Delaware limited liability company
5113 Steinbeck Bend Drive
Waco, Texas 76708
Phone: (469) 715-4954
Email: info@softroc.com
Website: www.softroc.com

Softroc Global, LLC 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, inter-locking brick, tile and other surfaces.

The total investment necessary to begin operation of a Softroc franchise ranges from $94,825 to $167,600. This includes $60,350 that must be paid to us.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the franchisor at 5113 Steinbeck Bend Drive, Waco, Texas 76708 or by phone at (469) 715-4954.

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

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

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

Issuance Date: April 26, 2022

How to Use this Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or EXHIBIT "E".
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or EXHIBIT "F" 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" lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

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

2. **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.

3. **Mandatory Minimum Payments.** You must make mandatory minimum royalty payments regardless of your sales levels. Your inability to make these 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.

MICHIGAN NOTICE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Any questions regarding this notice should be directed to: Michigan Department of Attorney General, Consumer Protection Division, Franchise Section, 525 W. Ottawa Street, G. Mennen Williams Building, 1st Floor, Lansing, Michigan 48913 (517) 373-7117.

TABLE OF CONTENTS

ITEM 1 FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES 1
ITEM 2 BUSINESS EXPERIENCE 3
ITEM 3 LITIGATION 5
ITEM 4 BANKRUPTCY 5
ITEM 5 INITIAL FEES 6
ITEM 6 OTHER FEES 6
ITEM 7 ESTIMATED INITIAL INVESTMENT 10
ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES 12
ITEM 9 FRANCHISEE'S OBLIGATIONS 15
ITEM 10 FINANCING 16
ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING 16
ITEM 12 TERRITORY 24
ITEM 13 TRADEMARKS 26
ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION 26
ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS 27
ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL 27
ITEM 17 RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION 28
ITEM 18 PUBLIC FIGURES 30
ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS 30
ITEM 20 OUTLETS AND FRANCHISEE INFORMATION 30
ITEM 21 FINANCIAL STATEMENTS 32
ITEM 22 CONTRACTS 32
ITEM 23 RECEIPT 33

EXHIBIT "A" STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS
EXHIBIT "B" FRANCHISORS AGENT FOR SERVICE OF PROCESS
EXHIBIT "C" FRANCHISE AGREEMENT
EXHIBIT "D" TABLE OF CONTENTS OF BRAND STANDARDS MANUAL
EXHIBIT "E" LIST OF FRANCHISEES
EXHIBIT "F" FINANCIAL STATEMENTS FOR 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

ITEM 1 FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Disclosure Document, "we," "us" and "the Company" mean Softroc Global, LLC - the franchisor. "You" means the person who buys a Softroc franchise - the franchisee, and includes your partners if you are a partnership, your shareholders if you are a corporation, and your members if you are a limited liability company.

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

Softroc Global, LLC is a Delaware limited liability company that was organized on March 1, 2021. Our principal business address is located at 5113 Steinbeck Bend Drive, Waco, Texas 76708 and our telephone number is (469) 715-4954. Our agent for service of process is 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".

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 offering Softroc Business franchises in May 2021. 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. We have never directly owned and operated a Softroc Business.

Predecessors, Parents and Affiliates

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	3000 Turtle Creek Boulevard Dallas, Texas 75219	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	42
Restoration 1 Franchise Holdings, LLC	Same as ours	Restoration 1	2009 to present	366
BlueFrog Plumbing and Drain, LLC	Same as ours	BlueFrog Plumbing + Drain	2014 to present	41

* 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 providing 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®".

* BlueFrog Plumbing + Drain is a plumbing and drain repair business that operates under the name "BlueFrog Plumbing + Drain®".

Description of Franchised Business

If we award you a franchise, you will establish and operate a business specializing in the 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 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 "Softroc Business".

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.

You must sign a franchise agreement (the "Franchise Agreement") and operate your Business in accordance with the terms of the Franchise Agreement. The form of Franchise Agreement is attached to this Disclosure Document as EXHIBIT "C". If you are a TDC Conversion Franchisee, you must sign both a 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").

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.

Market and Competition

The target market for Softroc customers 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, 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.

Laws and Regulations

You must comply with all federal and state licensing and other regulatory requirements relating to the operation of your Business. It is possible that you may need to obtain a contractor's license in a few 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 Business with which you must comply. We strongly suggest that you investigate these laws before buying this franchise.

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:

Employer	Title	Location	Period of Time
Softroc Global, LLC	Chief Executive Officer	Waco, TX	Mar 2022 to present
	Chief Operating Officer	Waco, TX	Apr 2021 to present
TDC Franchising, LLC	Chief Executive Officer	Waco, TX	Mar 2022 to present
	Chief Operating Officer	Waco, TX	Feb 2021 to Mar 2022
Restoration 1 Franchise Holdings, LLC	Chief Executive Officer	Waco, TX	Mar 2022 to present
	Chief Operating Officer	Waco, TX	Jun 2020 to present
BlueFrog Plumbing and Drain, LLC	Chief Executive Officer	Waco, TX	Mar 2022 to present
	Chief Operating Officer	Waco, TX	Jun 2020 to present
ServiceMaster (Terminix)	VP of Contact Centers	Memphis, TN	Feb 2017 to Aug 2019

Micah Findley – Chief Development Officer

Mr. Findley currently serves as our Chief Development Officer. During the prior 5 years, he has held the following positions:

Employer	Title	Location	Period of Time
Softroc Global, LLC	Chief Development Officer	Waco, TX	Apr 2021 to present
TDC Franchising, LLC	Chief Development Officer	Waco, TX	Feb 2021 to present
Restoration 1 Franchise Holdings, LLC	Chief Development Officer	Waco, TX	Dec 2020 to present
	VP of Operations	Waco, TX	Apr 2020 to Dec 2020
	Director of Operations	Waco, TX	Feb 2016 to Apr 2020
BlueFrog Plumbing and Drain, LLC	Chief Development Officer	Waco, TX	Dec 2020 to present

Courtney Harmon – President

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

Employer	Title	Location	Period of Time
Softroc Global, LLC	President	Waco, TX	Apr 2021 to present
TDC Franchising, LLC	President	Waco, TX	Jan 2021 to present
	VP of Operations	Waco, TX	Jul 2019 to present
AIP	President & Owner	Waco, TX	Jun 2015 to Dec 2019
WTBK3, LLC (TDC multi-unit franchisee)	Owner	Lorena, TX	Dec 2019 to present

Todd Bingham – Vice President of Development

Mr. Bingham currently serves as our Vice President of Development. During the prior 5 years, he has held the following positions:

Employer	Title	Location	Period of Time
Softroc Global, LLC	VP of Development	Waco, TX	Apr 2021 to present
TDC Franchising, LLC	VP of Development	Waco, TX	Feb 2021 to present
	Chief Operating Officer	Waco, TX	Mar 2019 to Feb 2021
TDC Holdings, LLC	Chief Operating Officer	Waco, TX	Mar 2019 to Feb 2021
Restoration 1 Franchise Holdings, LLC	VP of Development	Waco, TX	Oct 2017 to present
BlueFrog Plumbing and Drain, LLC	VP of Development	Waco, TX	Oct 2017 to present
Pinnacle Franchise Development	President	Louisville, KY	Jan 2015 to Aug 2017
FranNet, LLC	President	Louisville, KY	Jan 2015 to Aug 2017

Jay Holland – Vice President of Franchise Systems

Mr. Holland currently serves as our Vice President of Franchise Systems. During the prior 5 years, he has held the following positions:

Employer	Title	Location	Period of Time
Softroc Global, LLC	VP of Franchise Systems	Waco, TX	Apr 2021 to present
TDC Franchising, LLC	VP of Franchise Systems	Waco, TX	Feb 2021 to present
Restoration 1 Franchise Holdings, LLC	VP of Franchise Systems	Waco, TX	Apr 2020 to present
	Field Consultant	Waco, TX	May 2016 to Apr 2020

Shari Anz – Controller

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

Employer	Title	Location	Period of Time
Softroc Global, LLC	Controller	Waco, TX	Apr 2021 to present
TDC Franchising, LLC	Controller	Waco, TX	Feb 2021 to present
Restoration 1 Franchise Holdings, LLC	Controller	Waco, TX	Mar 2020 to present
BlueFrog Plumbing and Drain, LLC	Controller	Waco, TX	Mar 2020 to present
Texas State Technical College	Finance Executive	Waco, TX	Oct 2016 to Mar 2020

Gina Roberson – Executive Administrator

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

Employer	Title	Location	Period of Time
Softroc Global, LLC	Executive Administrator	Waco, TX	Apr 2021 to present
TDC Franchising, LLC	Executive Administrator	Waco, TX	Feb 2021 to present
Restoration 1 Franchise Holdings, LLC	Executive Administrator	Waco, TX	Jun 2016 to present
BlueFrog Plumbing and Drain, LLC	Executive Administrator	Waco, TX	Jun 2017 to present

ITEM 3 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, 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 neither admitted nor denied the allegations but nonetheless agreed to the terms of the Settlement Order whereby Restoration 1 Franchise Holding, LLC 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 litigation is required to be disclosed in this Item.

ITEM 4 BANKRUPTCY

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

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 initial franchise fee you will pay for: (a) your 1st Softroc Business; and (b) any additional Softroc Businesses you purchase at the same time that (or within 2 years after) you purchase your 1st Softroc Business:

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.

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. You must pay the first monthly installment of the technology fee the first month after completion of training (which may be prior to opening). 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.

ITEM 6 OTHER FEES

TYPE OF FEE [1]	AMOUNT	DUE DATE [2]	REMARKS
Royalty Fee	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 or (b) the minimum royalty fee	5th day of month	The "minimum royalty fee" is as follows: • Prior to 7th full month after opening: $0 • 7th through 12th full month: $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.

TYPE OF FEE [1]	AMOUNT	DUE DATE [2]	REMARKS
Brand Fund Fee	Up to 2% of Gross Sales [3] (currently 1% of Gross Sales)	Same as royalty fee	See Note 4.
Cooperative Advertising Fee	Up to 2% of Gross Sales [3] (not currently charged)	Same as royalty fee	See Note 5.
Local Marketing Commitment	2% of Gross Sales [3]	As incurred	Paid to third parties. See Note 6.
Additional Training or Assistance Fee	Up to $600 per person per day (plus reimbursement of expenses for onsite training or assistance)	10 days after invoice	See Note 7.
Conference Registration Fee	Up to $500 per person per conference	Prior to conference	See Note 8.
Technology Fee	Varies (currently $450 per month)	10 days after invoice or as we otherwise specify	See Note 9.
Product Purchases	Varies depending on item purchased	10 days after invoice	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.
Call Center Program	Reasonable setup and monthly fees charged by service provider or us, if we administer call center (not currently imposed)	Monthly or at such other time we specify	See Note 10.
Transfer Fee	$5,000	Before transfer	Payable if you sell your franchise or transfer ownership. No charge for transfer to an entity 100% controlled by you or for certain transfers of ownership between existing owners.
Management Fee	$500 per day plus reimbursement of travel and living expenses	10 days after invoice	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.
Audit Fee	Our costs incurred for audit (estimated to range from $1,500 to $5,000 per audit)	Upon demand	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.

TYPE OF FEE [1]	AMOUNT	DUE DATE [2]	REMARKS
Fines	Up to $500 per incident	Upon demand	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.
Default Interest	Lesser of (a) 18% per annum (prorated on daily basis) or (b) highest rate allowed by applicable law	10 days after invoice	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.
Indemnification	Amount of damages, losses or expenses we incur	10 days after invoice	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 the Franchise Agreement.
Attorneys' Fees and Costs	Amount of attorney's fees we incur	Upon demand	You must reimburse us for all attorneys' fees and other costs we incur relating to your breach of any term of the Franchise Agreement or any other agreement with us or our affiliates.
New Product or Supplier Testing	Cost we incur for testing (estimated to range from $500 to 1,000 per product/supplier)	10 days after invoice	This covers the costs of testing new products or inspecting new suppliers you propose.
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 9%	30 days after expiration or termination	Payable in lieu of royalty fee and brand fund contribution relating to Gross Sales associated with your accounts receivable.
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.
Liquidated Damages (termination of franchise)	Varies (See Note 11)	Upon demand	Paid if we terminate due to your default or you terminate in any manner not permitted under the Franchise Agreement.

Notes:

1. All fees are imposed by and payable to us except we may collect the cooperative advertising fee and transfer these funds to the applicable advertising cooperative. All fees are nonrefundable and uniformly imposed on franchisees. You must sign an ACH Authorization Form (attached to 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 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

   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				
TYPE OF EXPENDITURE [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 (2 people while training)	$2,500 to $4,000	As incurred	During training	Hotels, restaurants and airlines
Rubaroc Training Fee	$3,000	Lump sum	Prior to training	Rubaroc
Office / Leased Storage Space [2]	$0 to $2,000	Lump sum	Monthly (with security deposit paid before opening)	Landlord
Renovations & Improvements [3]	$250 to $5,000	As incurred	Before opening	Architects, contractors, suppliers
Service Vehicle & Wraps [4]	$1,500 to $48,000	Lump sum or as negotiated	Before opening	Suppliers
Initial Supply of Inventory and Mixing Equipment [5]	$10,000	Lump sum	Before opening	Rubaroc
Computer System [6]	$1,500 to $3,000	Lump sum	Before opening	Suppliers
Technology Fee [7] (preopening installment)	$450	As incurred	Before opening	Us
Uniforms [8]	$250 to $650	Lump sum	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)	$500 to $2,500	Lump sum	As incurred	Suppliers
Home Office Supplies [10]	$250 to $1,000	As incurred	Before opening	Suppliers
Business Licenses	$0 to $1,000	As incurred	Before opening	Government agencies
Professional Fees	$1,500 to $2,000	Lump sum	Before opening	Lawyers & accountants
Insurance (3 months' premium)	$1,875 to $3,750	Lump sum	Before opening	Insurance companies
Additional Funds [11] (3 months after opening)	$11,350 to $21,350	As incurred	As incurred	Suppliers, employees and us
Total Estimated Initial Investment [12, 13]	$94,825 to $167,600			

Notes:

1. 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 Home Owners' Association (if applicable) or local zoning laws. You will also need up to 150 square feet of space to store service tools, equipment and Softroc Product. The low estimate assumes you have adequate storage space in your garage or other home-based storage area. The high estimate assumes you will lease storage space and pay a security deposit equal to 2 months' rent to lease the unit.

3. To adapt the office and storage area for operation of your Business, you may need to make some minor renovations or improvements. The low estimate assumes that fewer improvements are needed.

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.

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. After opening, you must purchase your ongoing supply of Softroc Product 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.

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

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.

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.

12. You may have additional expenses beyond those listed above. We strongly recommend that you hire an accountant, business advisor or other professional to assist you in developing a budget for the development, opening and operation of your TDC Business.

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 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Source Restricted Purchases and Leases - Generally

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.

Supplier Criteria

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.

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.

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.

Technology Services

We currently 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).

Uniforms

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

Inventory

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
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 will try to negotiate relationships 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. 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 Product (i.e., EPDM rubber granules, SBR rubber granules and polyurethane binders)
- credit card processing services
- certain chemicals used for driveway construction and repair
- 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

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

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 FRANCHISEE'S OBLIGATIONS

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

OBLIGATION	SECTIONS IN FRANCHISE AGREEMENT	DISCLOSURE DOCUMENT ITEM
a. Site selection and acquisition/lease	Section 7.4	Item 7 & Item 11
b. Pre-opening purchases/leases	Section 7.1, 7.2, 7.3, 7.4, 12.6 & 15.1	Item 7, Item 8 & Item 11
c. Site development and other pre-opening requirements	Section 7	Item 6, Item 7 & Item 11
d. Initial and ongoing training	Section 5	Item 6 & Item 11
e. Opening	Section 7.5	Item 11

OBLIGATION	SECTIONS IN FRANCHISE AGREEMENT	DISCLOSURE DOCUMENT ITEM
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	Item 5 & Item 6
g. Compliance with standards and policies/Operating Manuals	Section 3, 6.1, 7.1, 11.3, 12 & 17.1	Item 11
h. Trademarks and proprietary information	Section 17	Item 13 & Item 14
i. Restrictions on products/services offered	Section 12.3	Item 16
j. Warranty and client service requirements	Section 12.4 & 12.12	Not Applicable
k. Territorial development and sales quotas	Not Applicable	Item 12
l. Ongoing product/service purchases	Section 12.7	Item 8
m. Maintenance, appearance and remodeling requirements	Section 12.8	Item 11
n. Insurance	Section 15.1	Item 6, Item 7 & Item 8
o. Advertising	Section 11	Item 6, Item 7 & Item 11
p. Indemnification	Section 18	Item 6
q. Owner's participation/ management/staffing	Section 8	Item 11 & Item 15
r. Records/reports	Section 15.2 & 15.3	Item 6
s. Inspections/audits	Section 16	Item 6 & Item 11
t. Transfer	Section 19	Item 17
u. Renewal	Section 4	Item 17
v. Post termination obligations	Section 21	Item 17
w. Non-competition covenants	Section 14	Item 17
x. Dispute resolution	Section 22	Item 17
y. Franchise Owner Agreement (brand protection covenants, transfer restrictions and financial assurance for owners)	Section 9 & ATTACHMENT "B"	Item 15

ITEM 10 FINANCING

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

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 your Business, we will:

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)

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. (Section 12.5)

During the operation of your Business, we may, but need not:

1. Conduct periodic field visits to provide onsite consultation, assistance and guidance pertaining to the operation and management of your Business. (Section 6.3)

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 Waco, 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	Waco, Texas
Sales	8	0	Waco, Texas
Marketing	8	0	Waco, Texas
Management	8	0	Waco, Texas
Technology	8	0	Waco, Texas
Product Knowledge & Application	0	32	Waco, 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 Waco, 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 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)

We will 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:

- a description of the authorized goods and services you may sell
- required specifications, operating procedures and quality standards
- reporting and insurance requirements
- specifications for your service vehicle
- 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.

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

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, telecommunications systems, security systems, and similar systems, together with the associated hardware, software (including cloud-based software) and related equipment, software applications, mobile apps and third-party services relating to the establishment, use, maintenance, monitoring, security or improvement of these systems.

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 smart device (either tablet or phone) with unlimited data
- 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 Technology Fee described in Item 6 for the software, 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.

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 must maintain the computer system in good working order at your cost. During the term of your franchise, you may be required to upgrade or update your computer hardware and/or software to conform to our then-current specifications. There are no contractual limitations on the frequency or cost of these updates or upgrades.

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
- 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
- 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)

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)

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.

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:

- 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:

- successful completion of the initial training program
- you purchase all required insurance
- 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

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.

ITEM 12 TERRITORY

Your 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

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.

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 outside of your Territory.

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 are not granted any options, rights of first refusal or similar rights to acquire additional territories or franchises.

Competitive Businesses Under Different Marks

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.

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.

ITEM 13 TRADEMARKS

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 Number**	**Registration Date (Renewal Date)**
SOFTROC	6534632	October 26, 2021

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) effective material determinations of the Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of this state or any court; (b) pending infringements, oppositions or cancellations; (c) pending material litigation involving any of the Marks; or (d) agreements that 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.

ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

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.

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

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.

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 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

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.

ITEM 17 RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

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

THE FRANCHISE RELATIONSHIP		
PROVISION	**SECTIONS IN AGREEMENT**	**SUMMARY**
a. Length of the franchise term	Section 4.1	Term is equal to 10 years.
b. Renewal or extension of the term	Section 4.1 & 4.2	If you meet our 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).
c. Requirements for you to renew or extend	Section 4.1 & 4.2	You must: not be in default; give us timely notice; sign our then-current form of franchise agreement and related documents (e.g., Franchise Owner Agreement, Brand Protection Agreement, etc.); sign 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.
d. Termination by you	Section 20.1	You can terminate only if we fail to cure a material default within the cure period.
e. Termination by us without cause	Section 20.4	We can terminate without cause if you and we mutually agree to terminate.
f. Termination by us with cause	Section 20.2 & 20.3	We can terminate if you default.
g. "Cause" defined - curable defaults	Section 20.2 & 20.3	You have 10 days to cure any monetary default. You have 30 days to cure any other default (other than defaults described below under "non-curable defaults").
h. "Cause" defined - non-curable defaults	Section 20.2	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.
i. Your obligations on termination/non-renewal	Section 21.1	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).
j. Assignment of contract by us	Section 19.1	No restriction on our right to assign.

THE FRANCHISE RELATIONSHIP		
PROVISION	**SECTIONS IN AGREEMENT**	**SUMMARY**
k. "Transfer" by you – definition	Section 19.2 & Attachment A (definition of "Transfer")	Includes transfer of contract or assets, or ownership change.
l. Our approval of transfer by you	Section 19.2, 19.3 & Attachment A (definition of "Permitted Transfer")	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.
m. Conditions for our approval of transfer	Section 19.2	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 a general release (subject to state law). We must notify you that we do not intend to exercise our right of first refusal.
n. Our right of first refusal to acquire your business	Section 19.5	We have the right to match any bona fide, arms-length offer for your business.
o. Our option to purchase your business	Not Applicable	Not Applicable
p. Your death or disability	Section 19.4	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 prior to transfer.
q. Non-competition covenants during the term of the franchise	Section 14.2 & 14.3	No involvement in competing business; comply with non-disclosure covenants.
r. Non-competition covenants after the franchise is terminated or expires	Section 14.2, 14.4 & 21.1	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.
s. Modification of the agreement	Section 24.3 & 24.8	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.
t. Integration/merger clause	Section 24.8	Only the terms of the Franchise Agreement and its attachments are binding (subject to state law). Any representations or promises made outside 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	Subject to state law, all disputes must be mediated before litigation, except for certain disputes involving our intellectual property or compliance with restrictive covenants.

THE FRANCHISE RELATIONSHIP		
PROVISION	**SECTIONS IN AGREEMENT**	**SUMMARY**
v. Choice of forum	Section 22	Subject to state law, all mediation and litigation must take place in county where we maintain our principal place of business (currently, McLennan County, Texas) at time dispute arises.
w. Choice of law	Section 24.1	Subject to state law, Texas law governs.

ITEM 18 PUBLIC FIGURES

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

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the Federal Trade Commission, the appropriate state regulatory agencies, and our management by contacting our Chief Executive Officer at 5113 Steinbeck Bend Drive, Waco, Texas 76708 or by phone at (469) 715-4954.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

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

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

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

TABLE 3 - STATUS OF FRANCHISED OUTLETS FOR YEARS 2019 TO 2021								
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Termin-ations**	**Non-Renewals**	**Reacquired by Franchisor**	**Ceased Operations - Other Reasons**	**Outlets at End of Year**
Alabama	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
Florida	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	3	0	0	0	0	3
Oklahoma	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	2	0	0	0	0	2
Texas	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	2	0	0	0	0	2
Totals	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	8	0	0	0	0	8

TABLE 4 - STATUS OF COMPANY-OWNED OUTLETS FOR YEARS 2019 TO 2021							
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	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0

TABLE 5 - PROJECTED OPENINGS AS OF DECEMBER 31, 2021			
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	0	1	0
Arizona	0	2	0
Arkansas	0	1	0
Colorado	0	1	0
Florida	2	2	0
Idaho	0	1	0

TABLE 5 - PROJECTED OPENINGS AS OF DECEMBER 31, 2021			
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**
Illinois	0	1	0
Kansas	0	2	0
Kentucky	0	1	0
Louisiana	0	1	0
Mississippi	0	1	0
North Carolina	2	2	0
Ohio	0	2	0
South Carolina	2	4	0
Tennessee	1	1	0
Texas	3	3	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. A list of all current franchisees is attached to this Disclosure Document as EXHIBIT "E" (Part A), including their names and the addresses and telephone numbers of their outlets as of December 31, 2021. In addition, EXHIBIT "E" (Part B) lists the name, 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, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who has 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 the last 3 fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experience as a franchisee in our franchise system.

There are no: (a) trademark-specific franchisee organizations associated with the franchise system being offered that we have created, sponsored or endorsed; or (b) independent franchisee organizations that have asked to be included in this Disclosure Document.

ITEM 21 FINANCIAL STATEMENTS

EXHIBIT "F" to this Disclosure Document contains our 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 December 31, 2021, and the related notes to the financial statements. Because we have not been in existence for 3 years, we cannot provide all of the financial statements required by the FTC franchise disclosure guidelines

ITEM 22 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" Franchise Agreement
EXHIBIT "G"-1 State Addenda
EXHIBIT "G"-2 Franchisee Disclosure Questionnaire
EXHIBIT "G"-3 General Release
EXHIBIT "G"-4 Conversion Addendum

Attachments to Franchise Agreement

ATTACHMENT "B"	Franchise Owner Agreement
ATTACHMENT "C"	ACH Authorization Form
ATTACHMENT "D"	Brand Protection Agreement
ATTACHMENT "E"	Confidentiality Agreement

ITEM 23 RECEIPT

EXHIBIT "I" to this Disclosure Document are detachable receipts. You are to sign both, keep one copy and return the other copy to us.

EXHIBIT "A"

TO DISCLOSURE DOCUMENT

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

CALIFORNIA
Commissioner of Financial Protection & Innovation
Department of Financial Protection & Innovation
320 West 4th Street, #750
Los Angeles, CA 90013
(213) 576-7500
1-866-275-2677

HAWAII
Commissioner of Securities of the State of Hawaii
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722
Agents for Service of Process:
Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

ILLINOIS
Illinois Attorney General
Chief, Franchise Division
500 South Second Street
Springfield, IL 62706
(217) 782-4465

INDIANA
Secretary of State
Securities Division
Room E-018
302 West Washington Street
Indianapolis, IN 46204
(317) 232-6681

MARYLAND
Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202
(410) 576-6360
Agent for Service of Process:
Maryland Securities Commissioner
200 St. Paul Place
Baltimore, Maryland 21202-2020

MICHIGAN
Franchise Section
Consumer Protection Division
525 W. Ottawa Street, G. Mennen Williams Building, 1st Floor
Lansing, MI 48913
(517) 335-7567

MINNESOTA
Commissioner of Commerce
Director of Registration
85 Seventh Place East, #280
St. Paul, Minnesota 55101-3165
(651) 539-1500

NEW YORK
NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
Phone: (212) 416-8222
Agents for Service of Process:
New York Department of State
One Commerce Plaza
99 Washington Avenue, 6th Floor
Albany, NY 12231

NORTH DAKOTA
North Dakota Securities Department
State Capitol, 5th Floor, Dept 414
600 East Boulevard Avenue
Bismarck, North Dakota 58505
(701) 328-4712

RHODE ISLAND
Department of Franchise Regulation
1511 Pontiac Avenue, John O. Pastore Complex, Bldg 69-1
Cranston, Rhode Island 02920
(401) 462-9527

SOUTH DAKOTA
Department of Labor and Regulation
Division of Insurance Securities Regulation
124 S Euclid, 2nd Floor
Pierre, South Dakota 57501
(605) 773-3563

VIRGINIA
State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
(804) 371-9051
Agents for Service of Process:
Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219

WASHINGTON
Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, WA 98501
(360) 902-8760
Mailing Address:
Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, WA 98507

WISCONSIN
Department of Financial Institutions
Division of Securities
201 W Washington Avenue, Suite 500, Madison, WI 53703
(608) 261-9555

EXHIBIT "B"

TO DISCLOSURE DOCUMENT

FRANCHISOR'S AGENT FOR SERVICE OF PROCESS

The Corporation Trust Company
Corporation Trust Center
1209 Orange Street
Wilmington, Delaware 19801
(302) 658-7581

In states listed in EXHIBIT "A", the additional agent
for Service of Process is listed in EXHIBIT "A"

EXHIBIT "C"

TO DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

[See Attached]

FRANCHISE AGREEMENT

FRANCHISEE INFORMATION

Name: [_____]
Address: [_____]
Phone: [_____]
Email: [_____]
Date of Agreement: [_____]

TABLE OF CONTENTS

1. DEFINITIONS 1
2. GRANT OF FRANCHISE 1
3. TERRITORIAL RIGHTS AND LIMITATIONS 1
4. TERM AND RENEWAL 2
5. TRAINING AND CONFERENCES 2
6. OTHER FRANCHISOR ASSISTANCE. 3
7. ESTABLISHING YOUR BUSINESS 5
8. MANAGEMENT AND STAFFING. 6
9. FRANCHISEE AS ENTITY 7
10. FRANCHISE OWNER AGREEMENT 7
11. ADVERTISING & MARKETING. 7
12. OPERATING STANDARDS. 10
13. FEES 13
14. BRAND PROTECTION COVENANTS. 14
15. YOUR OTHER RESPONSIBILITIES 15
16. INSPECTION AND AUDIT 17
17. INTELLECTUAL PROPERTY 18
18. INDEMNITY 19
19. TRANSFERS 20
20. TERMINATION 21
21. POST-TERM OBLIGATIONS. 23
22. DISPUTE RESOLUTION 24
23. YOUR REPRESENTATIONS 25
24. GENERAL PROVISIONS 25

ATTACHMENTS

ATTACHMENT "A"	Deal Terms
ATTACHMENT "B"	Franchise Owner Agreement
ATTACHMENT "C"	ACH Authorization Form
ATTACHMENT "D"	Brand Protection Agreement
ATTACHMENT "E"	Confidentiality Agreement
ATTACHMENT "F"	Definitions

SOFTROC FRANCHISE AGREEMENT

This Softroc Franchise Agreement (this "Agreement") 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").

1. **DEFINITIONS**. 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.

2. **GRANT OF FRANCHISE**. 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 establish and operate a Softroc Business specializing in the 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.

3. **TERRITORIAL RIGHTS AND LIMITATIONS**.

   3.1. **Grant of Territory**. We hereby grant 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 without our prior written consent, which we may withhold in our discretion.

   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.

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

      (i) 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.

      (iii) 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 directed within your Territory for purposes of soliciting customers.

4. TERM AND RENEWAL.

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;

(v) upgrade, update and refurbish your service vehicle, tools and equipment if necessary to comply with our then-current standards and specifications; and

(vi) take any additional actions we reasonably require.

4.3. **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.

5. TRAINING AND CONFERENCES

5.1. **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."

5.2. **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.

5.3. **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.

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

5.5. **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.

5.6. **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.

5.7. **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.

6. 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).

6.3. **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.

6.6. **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;

(iii) acquiring, installing, and using related technology;

(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.

6.9. **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. ESTABLISHING YOUR BUSINESS

7.1. **Vehicle**. 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 trailer according to our specifications. Without our prior written consent, you may not use your vehicle for any purpose unrelated to your Business. You and your staff must exclusively utilize this vehicle 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 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.

7.2. **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.

7.3. **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.

7.4. **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.

7.5. **Opening**. 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.

8. MANAGEMENT AND STAFFING.

8.1. **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.

8.2. **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.

8.3. **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.

8.4. **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.

9. 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.

10. 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".

11. ADVERTISING & MARKETING.

11.1. Brand and System Development Fund.

(a) 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.

(b) 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.

11.2. 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.

11.3. Your Marketing Activities.

(a) 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 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.

(b) Standards and Requirements for Advertising. All advertisements and promotions you create or use must be completely factual, 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.

(c) Approval of Advertising. Prior to use, we must approve 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 receipt. You may not use any materials we disapprove (including materials we previously approved and later disapprove).

(d) 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.

(e) 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.

11.4. 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.

12. OPERATING STANDARDS.

12.1. **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.

12.2. **Brand Standards Manual**. 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;

(ii) required specifications, operating procedures and quality standards;

(iii) reporting and insurance requirements;

(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.

12.3. **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.

12.4. **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).

12.5. **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.

12.6. **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.

12.7. **Suppliers and Purchasing**. 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).

12.8. **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.

12.9. Technology Systems.

(a) Generally. You must acquire and utilize all information and communication technology systems that we specify from time to time, including, without limitation, computer systems, point-of-sale system, telecommunications systems, security systems and similar systems, together with the associated hardware, software (including cloud-based software) and related equipment, software applications, mobile apps, and third-party services relating to the establishment, use, maintenance, monitoring, security or improvement of these systems (collectively referred to as the "Technology Systems"). The Technology Systems may relate to matters such as purchasing, pricing, accounting, order entry, inventory control, security, information storage, retrieval and transmission, customer information, customer loyalty, 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 Technology Systems, including information regarding your Gross Sales for purposes of calculating fees owed. Upon our request, you agree to provide us with the user IDs and passwords for your Technology Systems, including upon termination or expiration of this Agreement.

(c) Disruptions. You are solely responsible for protecting against computer viruses, bugs, power disruptions, communication line disruptions, internet access failures, internet content failures, date-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.

(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. 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 we pay to these suppliers based on 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.

12.10. **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.

12.11. **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.

12.12. **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.

12.13. **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.

13. FEES

13.1. **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.

13.2. **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.

13.3. **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).

13.4. **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.

13.5. 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.

14. BRAND PROTECTION COVENANTS.

14.1. 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.

14.2. 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).

14.3. 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.

14.4. 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.

14.5. **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.

14.6. **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.

14.7. **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.**

14.8. **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.

15. YOUR OTHER RESPONSIBILITIES

15.1. **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.

15.2. **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.

15.3. **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.

15.4. **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.

15.5. **Legal Compliance**. You must secure and maintain in force all required licenses, permits and regulatory approvals for the operation of your Business and operate your Business in full compliance with all applicable laws, ordinances, rules and regulations. You must notify us in writing within two (2) business days of the beginning of any action, suit, investigation or proceeding, or of the issuance of any order, writ, injunction, disciplinary action, award or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation of your Business or your financial condition. You must immediately deliver to us 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.

15.6. **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.

16. INSPECTION AND AUDIT

16.1. **Inspections**. 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.

16.2. **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.

17. INTELLECTUAL PROPERTY

17.1. **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.

17.2. **Changes to Intellectual Property**. We have the 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.

17.3. **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.

17.4. **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.

17.5. **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.

17.6. **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.

18. **INDEMNITY.** 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.

19. TRANSFERS

19.1. **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.

19.2. **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.

19.3. **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.

19.4. **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.

19.5. **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.

20. TERMINATION

20.1. **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.

20.2. **Termination By Us Without Cure Period**. 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;

(ii) if you fail to open your Business within the time period required by Section 7.5;

(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;

(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;

(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;

(vii) if you or an Owner (a) is convicted of or pleads 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 Business;

(viii) if you or an Owner commits an act that can reasonably be expected to materially and adversely affect the reputation of the System or the goodwill associated with the Marks;

(ix) if you manage or operate your Business in a manner that presents a health or safety hazard to your customers, employees or the public;

(x) if you or an Owner make any material misrepresentation to us, whether occurring before or after being granted the franchise;

(xi) if you fail to pay any amount owed to us or an affiliate of ours within 10 days after receipt of a demand for payment;

(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;

(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.

20.3. Additional Conditions of 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.

20.4. 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.

21. POST-TERM OBLIGATIONS.

21.1. Obligations of You and the Owners. After the termination, expiration or Transfer of this Agreement, you and the Owners agree to:

(i) remove all wraps, trade dress, phone numbers and Marks from your service vehicle;

(ii) immediately cease to use the Intellectual Property;

(iii) pay us all amounts that you owe us;

(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;

(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;

(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.

21.2. Final Payment. Within 30 days after 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 expiration or termination), multiplied by 70%, multiplied by 9%. Such amount is payable in lieu of the royalty fees and brand fund contributions that would otherwise be payable on Gross Sales collected after the date of expiration or termination. The parties acknowledge and agree that the Final Payment represents a reasonable estimation of future Gross Sales on your accounts receivable, and is not a penalty. To secure payment of the Final Payment 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 rights and interests to, your accounts receivable and the proceeds thereof. If we exercise our rights under this Section 21.2, we shall 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 have the right to retain from collected amounts 9% of the Gross Sales, representing royalty fees and brand fund contributions due and owing thereon, and to reimburse ourselves for 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.

21.3. 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.

22. DISPUTE RESOLUTION. 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, McLennan 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.

23. YOUR REPRESENTATIONS. 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;

(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 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;

(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;

(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

(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.

24. GENERAL PROVISIONS

24.1. **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.

24.2. **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.

24.3. **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.

24.4. **Waivers**. 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.

24.5. **Approvals**. 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.

24.6. **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.

24.7. **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.

24.8. **Integration**. 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.

24.9. **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.

24.10. **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.

24.11. **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 16, Section 18, Section 21, Section 22 and Section 24.

24.12. **Construction**. 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.

24.13. **Time of Essence**. Time is of the essence in this Agreement and every term thereof.

24.14. **Counterparts**. This Agreement may be signed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

24.15. **Notice.** 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
5113 Steinbeck Bend Drive
Waco, Texas 76708

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.

The parties to this Agreement have executed this Agreement effective as of the Effective Date first above written.

FRANCHISOR:

Softroc Global, LLC, a Delaware limited liability company

By:_____
Name:_____
Its:_____

YOU (If you are an entity):

_____,
a(n)_____

By:_____
Name:_____
Its:_____

YOU (If you are not an entity):

_____
Name:_____

_____
Name: _____

_____
Name: _____

_____
Name: _____

ATTACHMENT "A"

TO 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: [_____]

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.

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) acceptance and notice

of acceptance by us of the foregoing undertakings; (2) notice of demand for payment of any indebtedness guaranteed; (3) protest and notice of default to any party with respect to the indebtedness guaranteed; (4) any right you may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (5) the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness hereby guaranteed. You agree that: (1) your direct and immediate 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 may 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 guarantee, which shall be continuing and irrevocable during the term of each of the Secured Agreements and following the termination, 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. This guaranty will continue unchanged by the occurrence of any bankruptcy of Franchisee or any assignee or successor of Franchisee or by any abandonment of one or more of the Secured Agreements by a trustee of Franchisee. Neither your obligation to make payment in accordance with the terms of this undertaking nor any remedy for enforcement shall be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of 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.

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 as of the date or dates set forth below.

OWNER

By: _____

Name: _____

Date: _____

OWNER

By: _____

Name: _____

Date: _____

OWNER

By: _____

Name: _____

Date: _____

OWNER

By: _____

Name: _____

Date: _____

ATTACHMENT "C"

TO FRANCHISE AGREEMENT

ACH AUTHORIZATION FORM

[See Attached]

AUTOMATED CLEARING HOUSE PAYMENT AUTHORIZATION FORM

Franchisee Information:

Franchisee Name	Business No.
Franchisee Mailing Address (street)	Franchisee Phone No.
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 Name		
Bank Mailing Address (street, city, state, zip)		
Bank Account No.	☐ Checking ☐ Savings (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 ATTACH A VOIDED CHECK RELATING TO THE BANK ACCOUNT.

ATTACHMENT "D"

TO FRANCHISE AGREEMENT

BRAND PROTECTION AGREEMENT

[See Attached]

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"

TO FRANCHISE AGREEMENT

CONFIDENTIALITY AGREEMENT

[See Attached]

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:

(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"

TO 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.

"Agreement" is defined in the Introductory Paragraph.

"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.

EXHIBIT "D"

TO DISCLOSURE DOCUMENT

TABLE OF CONTENTS OF BRAND STANDARDS MANUAL

HISTORY OF RUBBER 3
THE HISTORY OF RUBBER SURFACING 4
RUBBER SURFACING SINCE 1947 4
BENEFITS AND FEATURES 8
MARKETING RUBBER SURFACING
THE IMPORTANCE OF MARKETING 9
THE SALES PROCESS | THE 6 STEPS OF SELLING SOFTROC 11
EPDM COLOR OPTIONS 14
SOLID COLORS 14
MIXED COLORS 15
INSTALLATION BASICS 16
EQUIPMENT LIST 16
PREPARING YOUR WORK SITE 17
SURFACE PREPARATION 19
MIXING 21
PRIMING THE SURFACE 23
APPLICATION 24
FINISHED EDGES 26
VERTICAL 29
SPECIAL CONSIDERATIONS 30
SITE CLEAN UP 31
MAINTENANCE 32
REPAIRS 34
JOB SITE ESTIMATING 35
HEALTH & SAFETY 37
MATERIAL LIMITED WARRANTY & DISCLAIMER 42
SOFTROC GLOSSARY 44
SPECIFICATIONS 47
CONTACT & SUPPORT 51

Copyright Softroc 2021

Brand Guidelines Manual

Logo	2
Mark	3
Custom Location	4
Logo Integrity	5
Clear Space	5
Minimum Size	5
Colors	6
Typography	7
Name Styling	8
Brand Elements	9

EXHIBIT "E"

TO DISCLOSURE DOCUMENT

LIST OF FRANCHISEES

Part A (Current Franchisees)

The following table lists our franchisees that were open as of December 31, 2021.

FRANCHISEES OPEN AS OF DECEMBER 31 , 2021					
State	**City**	**Address**	**Zip Code**	**Phone**	**Owner Name(s)**
Alabama	Pelham	348 Oxford Way	35124	205-704-4779	Bill George
Florida	Fruit Cove	1005 Flora Parke Dr	32259	203-231-8809	Joe DeCato
Florida	Miami	6433 SW 34th St	33155	305-800-7325	Daniel Almenara Leslie Soto
Florida	Tampa	4011 W. San Luis St	33629	352-427-3348	Bryan Caracciolo Brandon Ehlers Samuel Crafton Bryant III
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
Florida	Tampa	4011 W. San Luis St	33629	352-427-3348	Samuel Crafton Bryant IV Bryan Caracciolo Brandon Ehlers Samuel Crafton Bryant III
North Carolina	Charlotte	3836 Mooreland Farms Rd	28226	828-455-5507	Daniel Russell Lisa Russell
North Carolina	Charlotte	3836 Mooreland Farms Rd	28226	828-455-5507	Daniel Russell Lisa Russell
South Carolina	Greenville	107 Sandra Avenue	29611	910-777-1988	Nathan Bocock Austin Taylor
South Carolina	Columbia	1655 Tanglewood Rd	29204	910-777-1988	Nathan Bocock
Tennessee	Nashville	6680 S. Upton Ct.	37209	901-647-4529	Lauren Johnson
Texas	McKinney	4423 Cedar Crest Dr	75070	214-208-5959	Madison Clark
Texas	N. Richland Hills	7116 Oldham Place	76182	682-732-7325	Greg Farka
Texas	Lubbock	1004 Monticello	79416	806-470-8546	Matt Myers Carly Myers

FRANCHISEES NOT OPEN AS OF DECEMBER 31 , 2021					
State	**City**	**Address**	**Zip Code**	**Phone**	**Owner Name(s)**
Utah	Highland	5848 Park West Rd	84003	972-898-1790	Trevor Lambert
Utah	Highland	5848 Park West RD	84003	972-898-1790	Trevor Lambert

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 Left System During Prior Fiscal Year)

State	City	Current Business Phone or Last Known Home Phone	Owner Name(s)
None			

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

EXHIBIT "F"

TO DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

[See Attached]

Softroc Global, LLC
(A Subsidiary of Restoration 1 Franchise Holding, LLC)
Financial Statements
December 31, 2021 and March 3, 2021
(With Independent Auditor's Report Thereon)

JAYNES REITMEIER BOYD & THERRELL, P.C.
Certified Public Accountants
5400 Bosque Blvd., Ste. 600 | Waco, TX 76710
P.O. Box 7616 | Waco, TX 76714
Main 254.776.4190 | Fax 254.776.8489 | jrbt.com

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Member
Softroc Global, LLC:

Opinion

We have audited the financial statements of Softroc Global, LLC (a subsidiary of Restoration 1 Franchise Holding, LLC) (the "Company"), which comprise the 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 December 31, 2021, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Softroc Global, LLC as of December 31, 2021 and March 3, 2021, and the results of its operations and its cash flows for the period from March 3, 2021 to December 31, 2021, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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

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

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

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

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

Joyce, Retzonian, Boyd & Thomas, P.C.

March 2, 2022

Softroc Global, LLC
(A Subsidiary of Restoration 1 Franchise Holding, LLC)

Balance Sheets

December 31, 2021 and March 3, 2021

Assets	December 31, 2021	March 3, 2021
Current assets:		
Cash	$ 100,264	-
Accounts receivable	7,849	-
Prepaid expenses	4,292	-
Deferred costs, current portion	11,088	-
Due from related party	-	700,000
Total current assets	123,493	700,000
Other assets:		
Trade name	1,000,000	1,000,000
Deferred costs, excluding current portion	24,638	-
Other long-term assets, net	5,500	-
Total other assets	1,030,138	1,000,000
Total assets	$ 1,153,631	1,700,000
Liabilities and Member's Equity		
Current liabilities:		
Accounts payable	$ 1,159	-
Accrued expenses and other payables	14,542	-
Deferred revenue, current	38,370	
Due to seller	-	700,000
Total current liabilities	54,071	700,000
Deferred revenue, net of current portion	95,130	-
Due to seller, net of current portion	150,000	250,000
Due to related parties	385,502	-
Total liabilities	684,703	950,000
Member's equity	468,928	750,000
Total liabilities and member's equity	$ 1,153,631	1,700,000

See accompanying notes to financial statements.

Softroc Global, LLC
(A Subsidiary of Restoration 1 Franchise Holding, LLC)

Statement of Operations and Member's Equity

Period from March 3, 2021 to December 31, 2021

Revenues:		
Franchise sales fees	$	51,000
Franchise royalty fees		48,120
Commissions		1,427
Website and marketing revenues		10,639
		111,186
Cost of revenues:		
Website and marketing costs		24,598
Gross profit		86,588
General and administrative expenses		360,660
Operating loss		(274,072)
Other income (expense):		
Management consulting fee		(7,000)
Net loss		(281,072)
Member's equity, beginning of period		750,000
Member's equity (deficit), end of period	$	468,928

See accompanying notes to financial statements.

Softroc Global, LLC
(A Subsidiary of Restoration 1 Franchise Holding, LLC)

Statement of Cash Flows

Period from March 3, 2021 to December 31, 2021

Cash flows from operating activities:		
Net loss	$	(281,072)
Adjustments to reconcile net loss to net cash used in operating activities:		
Changes in operating assets and liabilities:		
Accounts receivable		(7,849)
Other assets		(40,018)
Accounts payable and accrued expenses		15,701
Deferred revenues		133,500
Net cash used in operating activities		(179,738)
Cash flows from investing activities:		
Capital expenditures		(5,500)
Net cash used in investing activities		(5,500)
Cash flows from financing activities:		
Due to related party		285,502
Net cash provided by financing activities		285,502
Net increase in cash		100,264
Cash at beginning of period		-
Cash at end of period	$	100,264
Supplemental noncash disclosures:		
Payment to seller on behalf of the Company by related party	$	800,000

See accompanying notes to financial statements.

Softroc Global, LLC
(A Subsidiary of Restoration 1 Franchise Holding, LLC)

Notes to Financial Statements

December 31, 2021 and March 3, 2021

(1) Summary of Significant Accounting Policies

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, inter-locking 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. The fiscal year-end of the Company is December 31.

(a) 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.

(b) 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, 2021; accordingly, no allowance was provided.

(c) Indefinite-Lived Intangible Assets

Indefinite-lived intangible assets are evaluated for impairment annually or more frequently if events or changes occur that suggest an impairment in carrying value, such as a significant adverse change in the business climate. Indefinite-lived intangible assets are evaluated for impairment by comparing each asset's fair value to its book value. Management first determines qualitatively whether it is more likely than not that an indefinite-lived asset is impaired. If management concludes that it is

Softroc Global, LLC
(A Subsidiary of Restoration 1 Franchise Holding, LLC)

Notes to Financial Statements
(Continued)

(1) Summary of Significant Accounting Policies (continued)

(c) Indefinite-Lived Intangible Assets (continued)

more likely than not that an indefinite-lived asset is impaired, then its fair value is determined by using the discounted cash flow model based on future revenues estimated to be derived in the use of the asset.

Indefinite-lived intangible assets in the amount of $1,000,000 at December 31, 2021 consisted of trade names and trademarks.

(d) Income Taxes

As a single member limited liability company, the Company does not pay federal corporate income tax on its taxable income. Instead, the Company's member is liable for federal income taxes on the Company's taxable income. Accordingly, no provision for federal income taxes is provided for in the accompanying financial statements.

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company records interest related to unrecognized tax benefits in interest expense and penalties in general and administrative expenses.

(e) Revenue Recognition

The Company adopted FASB Accounting Standards Codification ("ASC") Topic 606, *Revenue From Contracts with Customers* ("ASC 606"), upon inception. ASC 606 supersedes industry-specific guidance under ASC Topic 605, *Revenue Recognition* and ASC Subtopic 952-605, *Franchisors - Revenue Recognition* (together, the "Previous Standards"), and provides a single revenue recognition model for recognizing revenue from contracts with customers. The core principle of ASC 606 is that a reporting entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the reporting entity expects to be entitled in exchange for those goods or services.

Softroc Global, LLC
(A Subsidiary of Restoration 1 Franchise Holding, LLC)

Notes to Financial Statements
(Continued)

(1) Summary of Significant Accounting Policies (continued)

(e) Revenue Recognition (continued)

Franchise revenues consist primarily of 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 under ASC 606 as a single performance obligation, which is satisfied by granting certain rights to use intellectual property over the term of each franchise agreement.

Royalty fees and marketing and advertising revenues are calculated as a percentage of franchise monthly dues and annual fees over the term of the franchise agreement. 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. 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, under ASC 606, the Company allocates a portion of the initial franchise fee to pre-opening services, which is recognized as revenue once those services are provided. The remaining initial fee and successor franchise fees, as well as transfer fees, are recognized as revenue on a straight-line basis over the term of the respective franchise agreement. Under the Previous Standards, initial franchise fees were recognized as revenue when the related franchisees completed the Company's new franchisee training. Successor franchise fees and transfer fees were recognized as revenue upon execution of a new franchise agreement.

(f) Deferred Revenue

Franchise deferred revenue results from initial and successor franchise fees, as well as transfer fees, which are generally recognized on a straight-line basis over the term of the underlying franchise agreement and under the Previous Standard franchise deferred revenue represented cash received from franchisees for franchise fees for which revenue recognition criteria had not yet been met.

Softroc Global, LLC
(A Subsidiary of Restoration 1 Franchise Holding, LLC)

Notes to Financial Statements
(Continued)

(1) Summary of Significant Accounting Policies (continued)

(g) 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 balances are reported as assets on the balance sheet and are amortized over the term of the franchise agreement of ten years. Amortization is primarily included as commissions in operating expenses in the statement of operations. Capitalized costs were $35,726 and $-0- at December 31, 2021 and March 3, 2021, respectively. The amounts charged to commissions expense were $17,488 in 2021.

(h) Advertising Costs

The Company accounts for franchisee advertising contributions as a component of franchise revenue. The advertising and promotion costs related directly to franchisees are expensed as incurred and are included in cost of revenues in the statement of operations. All general advertising and promotion costs of the Company are allocated as operating expenses in the statement of operations. General advertising and promotion expenses were $8,183 in 2021.

(i) Use of Estimates

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

(2) Asset Acquisition

On March 3, 2021, the Company acquired the trade names and trademarks of Softroc, LLC **("Softroc Business System") for $1,000,000. Cons**ideration 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.

Softroc Global, LLC
(A Subsidiary of Restoration 1 Franchise Holding, LLC)

Notes to Balance Sheet
(Continued)

(2) Asset Acquisition (continued)

In September 2021, $100,000 of the contingent liability was paid. The remaining contingent liability balance of $150,000 is payable within sixty (60) days after the close of the first twelve-month period that the Company generates $5 million of revenue from the Softroc Business System.

(3) Revenue Recognition

Contract liabilities consist of deferred revenue resulting from initial and successor franchise fees, as well as transfer fees, which are generally recognized on a straight-line basis over the term of the underlying franchise agreement. The following table reflects the change in contract liabilities:

Balance, March 3, 2021	$	-
Revenue recognized in period		(51,000)
Increase, excluding amounts recognized during period		184,500
Balance, December 31, 2021	$	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, 2021. 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.

Contract liabilities to be recognized in:		Amount
2022	$	38,370
2023		8,950
2024		8,950
2025		8,950
2026		8,950
Thereafter		59,330
Total	$	133,500

Softroc Global, LLC
(A Subsidiary of Restoration 1 Franchise Holding, LLC)

Notes to Balance Sheet
(Continued)

(4) Related Party Transactions

From time to time, the Company enters into transactions and arrangements with **Restoration 1 Franchise Holding, LLC ("R1")** and other affiliated entities owned by R1. At December 31, 2021, amounts due to R1 and other affiliated entities, as a result of these transactions was $385,502. At March 3, 2021, there was $700,000 due from R1.

R1 is a wholly-owned subsidiary of Stellar Brands, LLC ("Stellar"). Stellar has entered into a management agreement with an affiliated entity that calls for $112,500 quarterly payments as part of the compensation consideration to be paid under the agreement. These payment obligations have been passed on to the Company and other affiliated parties. For the period ended December 31, 2021, the Company incurred and charged $7,000 to management consulting fee expense under the agreement.

(5) 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.

(6) Subsequent Events

The Company has evaluated subsequent events from the balance sheet date through March 2, 2022, the date at which the financial statements were available to be issued, and determined there are no items to disclose.

Softroc Global, LLC
(A Subsidiary of Restoration 1 Franchise Holding, LLC)
Balance Sheet
March 3, 2021
(With Independent Auditor's Report Thereon)

JAYNES REITMEIER BOYD & THERRELL, P.C.
Certified Public Accountants
5400 Bosque Blvd., Ste. 600 | Waco, TX 76710
P.O. Box 7616 | Waco, TX 76714
Main 254.776.4190 | Fax 254.776.8489 | jrbt.com

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Member
Softroc Global, LLC:

We have audited the accompanying balance sheet of Softroc Global, LLC (a subsidiary of Restoration 1 Franchise Holding, LLC) (the "Company") as of March 3, 2021, and the related notes.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of Softroc Global, LLC as of March 3, 2021, in accordance with accounting principles generally accepted in the United States of America.

Joyce, Reitmeier, Boyd & Thomas, P.C.

May 18, 2021

Softroc Global, LLC
(A Subsidiary of Restoration 1 Franchise Holding, LLC)
Balance Sheet

March 3, 2021

Assets	
Current assets:	
Due from member	$ 700,000
Total current assets	700,000
Intangible assets	1,000,000
Total assets	$ 1,700,000
Liabilities and Member's Equity	
Current liabilities:	
Due to seller	$ 700,000
Total current liabilities	700,000
Due to seller, net of current portion	250,000
Total liabilities	950,000
Member's equity	750,000
Total liabilities and member's equity	$ 1,700,000

Softroc Global, LLC
(A Subsidiary of Restoration 1 Franchise Holding, LLC)
Notes to Balance Sheet

March 3, 2021

(1) Summary of Significant Accounting Policies

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, inter-locking brick, tile and other surfaces.

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. The fiscal year-end of the Company is December 31.

(a) 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.

(b) Indefinite-Lived Intangible Assets

Indefinite-lived intangible assets are evaluated for impairment annually or more frequently if events or changes occur that suggest an impairment in carrying value, such as a significant adverse change in the business climate. Indefinite-lived intangible assets are evaluated for impairment by comparing each asset's fair value to its book value. Management first determines qualitatively whether it is more likely than not that an indefinite-lived asset is impaired. If management concludes that it is more likely than not that an indefinite-lived asset is impaired, then its fair value is determined by using the discounted cash flow model based on future revenues estimated to be derived in the use of the asset.

Indefinite-lived intangible assets in the amount of $1,000,000 at March 3, 2021 consisted of tradenames and trademarks.

(c) Income Taxes

As a single member limited liability company, the Company does not pay federal corporate income tax on its taxable income. Instead, the Company's member is liable for federal income taxes on the Company's taxable income. Accordingly, no provision for federal income taxes is provided for in the accompanying financial statements.

Softroc Global, LLC
(A Subsidiary of Restoration 1 Franchise Holding, LLC)

Notes to Balance Sheet
(Continued)

(1) Summary of Significant Accounting Policies (continued)

(c) Income Taxes (continued)

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company records interest related to unrecognized tax benefits in interest expense and penalties in general and administrative expenses.

(d) Fair Value Hierarchy

Generally accepted accounting principles establish a fair value hierarchy that prioritizes the inputs to valuation techniques used for fair value measurements of assets and liabilities that are recognized or disclosed at fair value in the financial statement. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

(e) Use of Estimates

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

Softroc Global, LLC
(A Subsidiary of Restoration 1 Franchise Holding, LLC)

Notes to Balance Sheet
(Continued)

(2) Asset Acquisition

On March 3, 2021, the Company acquired the tradenames and trademarks of Softroc, LLC ("Softroc Business System") for $1,000,000. Consideration transferred consisted of $50,000 in cash, a payable in the amount of $700,000 that was subsequently paid on March 4, 2021, and a contingent liability in the amount of $250,000.

The contingent liability in the amount of $250,000 is payable within sixty (60) days after the close of the first twelve-month period that the Company generates $5 million of revenue from the Softroc Business System.

The $1,000,000 of assets acquired are reflected in intangible assets on the accompanying balance sheet.

(3) Related Party Transactions

At March 3, 2021, the Company had an equity receivable due from its member in the amount of $700,000. In connection with the asset acquisition discussed in Note 2, on March 4, 2021 the member paid $700,000 to the seller on behalf of the Company as settlement of the receivable due from the member and payable due to seller at March 3, 2021.

(4) Subsequent Events

The Company has evaluated subsequent events from the balance sheet date through May 18, 2021, the date at which the financial statement was available to be issued, and determined there are no other items to disclose.

EXHIBIT "G"

TO DISCLOSURE DOCUMENT

OTHER AGREEMENTS

EXHIBIT "G"-1

STATE ADDENDA

[See Attached]

STATE ADDENDA AND AGREEMENT RIDERS

ADDENDUM TO FRANCHISE AGREEMENT, SUPPLEMENTAL AGREEMENTS,

AND FRANCHISE DISCLOSURE DOCUMENT FOR CERTAIN STATES FOR

Softroc Global, LLC

BACKGROUND AND PURPOSE

The following modifications are made to the Softroc Franchise Disclosure Document ("FDD" or "Disclosure Document") issued by Softroc Global, LLC ("we" or "us" or "franchisor") to franchisee ("you" or "franchisee") and may supersede, to the extent required by applicable state law, certain portions of the Franchise Agreement between you and us dated _____, 202__ (the "Franchise Agreement"). When the term "Supplemental Agreements" is used, it means any area development agreement, area representative agreement, master franchise agreement, or similar agreement entered into between us and you, if applicable.

Certain states have laws governing the franchise relationship and franchise documents. Certain states require modifications to the FDD, Franchise Agreement, Supplemental Agreements and other documents related to the sale of a franchise. This State-Specific Addendum ("State Addendum") will modify these agreements to comply with the applicable state's laws. The terms of this State Addendum will only apply if you meet the requirements of the applicable state independently of your signing of this State Addendum. The terms of this State Addendum (but only the State Addendum for the applicable State) will override any inconsistent provision of the FDD, Franchise Agreement or any Supplemental Documents. This State Addendum only applies to the following states: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

If your state requires these modifications, you will sign this State Addendum along with the Franchise Agreement and any Supplemental Agreements. If you sign this State Addendum, only the terms applicable to the state or states whose franchise laws apply to your transaction will govern. If you sign this State Addendum, but none of the state franchise laws listed above applies because their jurisdictional requirements have not been met, then this State Addendum will be void and inapplicable to you.

[State Addenda Follow]

CALIFORNIA

1. The California Franchise Investment Law requires 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 nor any person or franchise broker in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

4. 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.

5. The Franchise Agreement and Supplemental Agreements require application of the laws of Texas . This provision may not be enforceable under California law.

6. The Franchise Agreement and Supplemental Agreements may provide for termination upon bankruptcy. Any such provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

7. 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.

8. 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.

9. 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.

10. 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).

11. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION AT https://dfpi.ca.gov/.

12. 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.

13. 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.

14. 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.

HAWAII

1. The following is added to the Cover Page:

   THIS FRANCHISE WILL BE/HAS BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED IN THIS FRANCHISE DISCLOSURE DOCUMENT IS TRUE, COMPLETE AND NOT MISLEADING.

   THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO YOU OR SUBFRANCHISOR AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY YOU OR SUBFRANCHISOR OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY YOU, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

   THIS FRANCHISE DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH US AND YOU.

2. Our registered agent in the state authorized to receive service of process:

   Commissioner of Securities of the State of Hawaii
   Department of Commerce and Consumer Affairs
   Business Registration Division
   335 Merchant Street, Room 203
   Honolulu, Hawaii 96813

3. The states in which this filing is effective are listed on the Exhibit to the FDD titled "State Effective Dates".

4. The states in which this filing is or will be shortly on file include the following: California, Hawaii, Illinois, Indiana, Maryland, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

5. The states, if any, which have refused, by order or otherwise, to register these franchises include the following: None

6. The states, if any, which have revoked or suspended the right to offer these franchises include the following: None

7. The states, if any, in which the filing of these franchises has been withdrawn include the following: None

ILLINOIS

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, any provision in the Franchise Agreement and Supplemental Agreements that designated jurisdiction and venue in a forum outside of the State of Illinoi is void. However, the 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, 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.

5. The Franchise Agreement and Supplemental Agreements are amended to state the following:

   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.

INDIANA

In recognition of the requirements of the Indiana Franchise Disclosure Law, IC 23-2-2-2.5, the Franchise Agreement and Supplemental Agreements are amended as follows:

1. The laws of the State of Indiana supersede any provisions of the Disclosure Document, Franchise Agreement and Supplemental Agreements if such provisions are in conflict with Indiana law.

2. The Franchise Agreement and Supplemental Agreements are amended to provide that such agreements will be construed in accordance with the laws of the State of Indiana.

3. Any provision in the Franchise Agreement which designates jurisdiction or venue, or requires the franchisee to agree to jurisdiction or venue, in a forum outside of Indiana, is deleted from any Franchise Agreement and Supplemental Agreement issued in the State of Indiana.

4. The prohibition by Indiana Code § 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as material breach of the Franchise Agreement or Supplemental Agreement (as applicable), shall supersede the provisions of the Franchise Agreement or Supplemental Agreement (as applicable) in the State of Indiana to the extent they may be inconsistent with such prohibition.

5. Liquidated damages and termination penalties are prohibited by law in the State of Indiana and, therefore, the Disclosure Document, the Franchise Agreement and Supplemental Agreements are amended by the deletion of all references to liquidated damages and termination penalties and the addition of the following language to the original language that appears therein:

   Notwithstanding any such termination, and in addition to the obligations of the franchisee as otherwise provided, or in the event of termination or cancellation of the Franchise Agreement under any of the other provisions therein, the franchisee nevertheless shall be, continue and remain liable to franchisor for any and all damages which franchisor has sustained or may sustain by reason of such default or defaults and the breach of the Franchise Agreement on the part of the franchisee for the unexpired Term of the Franchise Agreement.

   At the time of such termination of the Franchise Agreement, the franchisee covenants to pay to franchisor within 10 days after demand as compensation all damages, losses, costs and expenses (including reasonable attorney's fees) incurred by franchisor, and/or amounts which would otherwise be payable thereunder but for such termination for and during the remainder of the unexpired Term of the Franchise Agreement. This Agreement does not constitute a waiver of the franchisee's right to a trial on any of the above matters.

6. No release language set forth in the Disclosure Document or Franchise Agreement or Supplemental Agreement shall relieve franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana. Any provision in the Franchise Agreement or Supplemental Agreement that would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that such provision violates such law.

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:

1. Item 17 of the Disclosure Document is amended to add the following:

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

   b. A franchisee may bring a lawsuit 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 required by the Maryland Franchise Registration and Disclosure Law, Maryland law shall prevail.

   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.).

2. The Franchise Disclosure Questionnaire, which is attached as an Exhibit to the Disclosure Document, is amended as follows:

   All representations requiring prospective franchisees to assent to the 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 recognition of the requirements of the Maryland Franchise Law, the Franchise Agreement and Supplemental Agreements are amended to add the following:

1. Any claims arising under the Maryland Franchise Law must be brought within three (3) years after the grant of the franchise.

2. 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.

3. You may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Law.

4. The Franchise Questionnaire that you completed in connection with your application for the franchise requires you, as a prospective franchisee, to disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Maryland Franchise Law as a condition to your purchase of the franchise. Any such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Law.

5. 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.

6. Item 5 of the Disclosure Document is amended 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."

7. The Franchise Agreement is amended to state the following:

   "All initial fees and payments shall be deferred until such time as we complete our initial obligations."

MICHIGAN

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

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

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

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

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

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

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

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

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

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

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

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

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

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing

and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000.00, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
CONSUMER PROTECTION DIVISION
Attention: Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48913
Telephone Number: (517) 373-7117

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 Minnesota Statute Section 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 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 Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce any of your rights as provided for in Minnesota Statues, 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.

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. 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.

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:

   INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR 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 FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3 of the Disclosure Document:

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

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

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

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

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

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"**:

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) and 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 agreement on any grounds available by law.

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 "**Choice of law**":

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

NORTH DAKOTA

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. Provisions 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 Section 51-19-09 of the North Dakota Franchise Investment Law. 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.

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.

RHODE ISLAND

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 of the Rhode Island Franchise Law 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 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.

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.

VIRGINIA

In recognition of the requirements of the Virginia Retail Franchising Act, the Disclosure Document, Franchise Agreement and Supplemental Agreements are amended as follows:

1. Item 17 of the Disclosure Document is amended 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 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.

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

2. RCW 19.100.180 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 be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. 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.

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/may use] 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.

WISCONSIN

The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provision of the Franchise Agreement and Supplement Agreements (if applicable) if such provision is in conflict with that law. The Franchise Disclosure Document, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

(Signatures on following page)

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	☐ Michigan	☐ South Dakota
☐ Hawaii	☐ Minnesota	☐ Virginia
☐ Illinois	☐ New York	☐ Washington
☐ Indiana	☐ North Dakota	☐ Wisconsin
☐ Maryland	☐ Rhode Island	

Dated: _____, 202____

FRANCHISOR:

Softroc Global, LLC

By: _____

Title: _____

FRANCHISEE:

_____

By: _____

Title: _____

EXHIBIT "G"-2

FRANCHISEE DISCLOSURE QUESTIONNAIRE

[See Attached]

FRANCHISEE DISCLOSURE QUESTIONNAIRE

As you know Softroc Global, LLC ("we" or "us), and you are preparing to enter into a Franchise Agreement for the operation of a Softroc franchise. We require that you complete this Questionnaire (a) so that we can determine whether our franchise sales team followed proper sales procedures and (b) to provide us with reasonable assurance that, prior to signing the Franchise Agreement, you have had an adequate opportunity to review the Franchise Disclosure Document and its attachments, consult with legal and/or business advisors of your choosing, and ask us questions about any disclosures or terms that you do not understand. **You cannot sign or date this Questionnaire the same day as the Receipt for the Franchise Disclosure Document but you must sign and date it the same day you sign the Franchise Agreement and pay your franchise fee.** Please review each of the following questions carefully and provide honest responses to each question.

Yes__	No__	l.	Have you received from us and personally reviewed the Franchise Agreement together with all attachments to the Franchise Agreement? *[If you answer "no," please explain in Explanation Section]*
Yes__	No__	2.	Have you received from us and personally reviewed a Franchise Disclosure Document ("FDD")? *[If you answer "no," please explain in Explanation Section]*
Yes__	No__	3.	Did you sign a receipt for the FDD indicating the date you received it?
Yes__	No__	4.	Do you understand all the information contained in the FDD and Franchise Agreement? *[If you answer "no," please identify any information you don't understand in Explanation Section]*
Yes__	No__	5.	Did you receive the FDD at least 14 calendar days before signing any agreement relating to the franchise (other than an NDA) or paying any money?
Yes__	No__	6.	Did you receive a complete execution copy of the Franchise Agreement at least seven (7) calendar days before you signed it?
Yes__	No__	7.	Have you reviewed the FDD and Franchise Agreement with a lawyer, accountant or other professional advisor?
Yes__	No__	8.	Have you discussed the benefits and risks of developing and operating a Softroc franchise with an existing Softroc franchisee?
Yes__	No__	9.	Do you understand the risks of developing and operating a Softroc franchise?
Yes__	No__	10.	Do you understand the success or failure of your franchise will depend in large part upon your skills, abilities and efforts and those of the persons you employ as well as many factors beyond your control such as competition, interest rates, the economy, inflation, labor and supply costs and other relevant factors?
Yes__	No__	11.	Do you understand that the Franchise Agreement and the attachments to the Franchise Agreement contain the entire agreement between us and you concerning the franchise for the Softroc franchise, meaning any prior oral or written statements not set out in the Franchise Agreement or the attachments will not be binding?
Yes__	No__	12.	Did any of our employees or representatives, or any person speaking on our behalf, make any statement or promise regarding the costs involved in operating a Softroc franchise that is not contained in the FDD or that is contrary to, or different from, the information contained in the FDD? *[If you answer "yes," please describe the statement or promise in Explanation Section]*
Yes__	No__	13.	Did any of our employees or representatives, or any person speaking on our behalf, make any statement or promise regarding the training, assistance or support that will be provided to you that is not contained in the FDD or that is contrary to, or different from, the information in the FDD? *[If you answer "yes," please describe the statement or promise in Explanation Section]*

Yes__ No__ 14. Did any of our employees or representatives, or any person speaking on our behalf, make any statement or promise regarding the actual, average, projected or hypothetical profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a Softroc business may generate, other than any information included in Item 19 of the FDD?

[If you answer "yes," please describe the statement or promise in Explanation Section]

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

_____	_____
Signature of Franchise Applicant	Signature of Franchise Applicant
_____	_____
Name (please print)	Name (please print)
Dated _____	Dated _____
_____	_____
Signature of Franchise Applicant	Signature of Franchise Applicant
_____	_____
Name (please print)	Name (please print)
Dated _____	Dated _____

EXPLANATION SECTION

Please include any explanations below and refer to the applicable question number.

_____

_____

_____

_____

_____

_____

_____

_____

_____

EXHIBIT "G"-3

GENERAL RELEASE

[See Attached]

WAIVER AND RELEASE OF CLAIMS

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 each of your 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 Parties"), hereby release, acquit and forever discharge us, any and all of our 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, shareholders, members, owners, employees, agents, representatives, affiliates, parents, divisions, successors and assigns, and the spouses of such individuals (collectively, the "Franchisor Parties"), 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 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.

2. California Law. You and Owner hereby express your intention to release all existing claims, whether known or unknown, against the Franchisor Parties. Accordingly, you and Owner hereby waive Section 1542 of the California Civil Code, which provides the following:

   "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

   [Section 2 only applies for California franchisees; otherwise it is omitted]

3. Nondisparagement. 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.

(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.

FRANCHISEE:

_____

By: _____
Name: _____
Its: _____

FRANCHISE OWNERS:

_____
Name: _____

_____
Name: _____

_____
Name: _____

EXHIBIT "G"-4

CONVERSION ADDENDUM

[See Attached]

CONVERSION ADDENDUM

This 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").

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. **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 of the Franchise Agreement.

4. **Miscellaneous.**

(a) Modification. This Addendum and 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.

The parties to this Agreement have executed this Agreement effective as of the Effective Date first above written.

FRANCHISOR:

Softroc Global, LLC, a Delaware limited liability company

By:_____
Name:_____
Its:_____

YOU (If you are an entity):

_____,
a(n)_____

YOU (If you are not an entity):

_____
Name:_____

_____
Name: _____

_____
Name: _____

_____
Name: _____

EXHIBIT "H"

TO DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES

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
New York	

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

EXHIBIT "I"

TO 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. New York requires that Softroc Global, LLC gives you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If 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 20580, and the appropriate state agency listed in EXHIBIT "A" to this Disclosure Document.

The franchise seller(s) involved with the sale of this franchise is/are:

____ Dustin Kosterow; 5113 Steinbeck Bend Drive, Waco, Texas 76708; (925) 979-5989

____ George Roberson; 5113 Steinbeck Bend Drive, Waco, Texas 76708; (281) 795-0061

____ Christina Rogers; 5113 Steinbeck Bend Drive, Waco, Texas 76708; (254) 293-7798

____ _____

Issuance Date: April 26, 2022

Softroc Global, LLC's agent to receive service of process is listed in EXHIBIT "B" to this Disclosure Document.

I received a Franchise Disclosure Document that included the following Exhibits:

EXHIBIT "A"	State Administrators and Agents for Service of Process
EXHIBIT "B"	Agent 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

_____
Print Name

_____ _____
Date (Signature) Prospective Franchise Owner

(This Receipt should be executed in duplicate. One Receipt must be signed and remains in the Franchise Disclosure Document as the prospective franchise owner's copy. The other Receipt must be signed and returned to Softroc Global, LLC.)

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. New York requires that Softroc Global, LLC gives you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If 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 20580, and the appropriate state agency listed in EXHIBIT "A" to this Disclosure Document.

The franchise seller(s) involved with the sale of this franchise is/are:

____ Dustin Kosterow; 5113 Steinbeck Bend Drive, Waco, Texas 76708; (925) 979-5989

____ George Roberson; 5113 Steinbeck Bend Drive, Waco, Texas 76708; (281) 795-0061

____ Christina Rogers; 5113 Steinbeck Bend Drive, Waco, Texas 76708; (254) 293-7798

____ _____

Issuance Date: April 26, 2022

Softroc Global, LLC's agent to receive service of process is listed in EXHIBIT "B" to this Disclosure Document.

I received a Franchise Disclosure Document that included the following Exhibits:

EXHIBIT "A"	State Administrators and Agents for Service of Process
EXHIBIT "B"	Agent 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

_____
Print Name

_____ _____
Date (Signature) Prospective Franchise Owner

_____

(This Receipt should be executed in duplicate. One Receipt must be signed and remains in the Franchise Disclosure Document as the prospective franchise owner's copy. The other Receipt must be signed and returned to Softroc Global, LLC.)