FRANCHISE DISCLOSURE DOCUMENT

Steamatic, LLC
a Florida limited liability company
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www.steamatic.com

Steamatic franchisees operate mobile businesses that provide catastrophe restoration, cleaning, repair and other related services to commercial and residential customers using proprietary Steamatic technology ("Steamatic Business(es)"). We offer franchises for single Steamatic Businesses. We also offer conversion opportunities to existing independent businesses that provide services and products similar to those offered by Steamatic Businesses.

The total investment necessary to begin operation of a Steamatic Business is between $226,522 and $447,757. This includes between $110,642 and $173,527 that must be paid to the franchisor or its affiliate(s). The total investment necessary to begin operation of a Steamatic Business that has been converted from an existing business is between $206,522 and $447,757. This includes between $90,642 and $173,527 that must be paid to the franchisor or its affiliate(s).

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this disclosure 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 Brent Adamczyk at 4320 Marsh Ridge Rd, Suite 190, Carrollton, TX 75010, badamczyk@steamatic.com, and (817) 332-1575.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. 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 information on franchising.

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

Issuance Date: June 13, 2024

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit D.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit B includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Steamatic 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 Steamatic franchisee?	Item 20 or Exhibit D 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, arbitration and/or litigation only in Texas. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Texas than in your own state.

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

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

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

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

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

NOTICE REQUIRED BY
STATE OF MICHIGAN

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

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

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

(b) A requirement that the 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 terms 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 five 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 six 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 or under similar circumstances. This section does not require a renewal provision.

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

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

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

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

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

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

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

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

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

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

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

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ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Franchise Disclosure Document, "SL" and "we," "us" and "our" means Steamatic, LLC, the franchisor. "You," "your" and "Franchisee" means the person, and its owners if the Franchisee is a business entity, who buys the franchise from SL.

The Franchisor

SL is a Florida limited liability company that was formed on January 12, 2018 as Johns Lyng Restoration, LLC, and changed its name to Steamatic, LLC on April 12, 2019. We operate under the name "Steamatic, LLC," "Steamatic," and no other name. Our principal business address is 4320 Marsh Ridge Rd, Suite 190, Carrollton, TX 75010. We began offering franchises for Steamatic Businesses in December 2020. We do not conduct a business of the type described in this Franchise Disclosure Document. We do not conduct any other business other than franchising Steamatic Businesses. We have not offered franchises in any other line of business.

We are a wholly owned subsidiary of our parent, Steamatic Holdings, LLC, f/k/a Johns Lyng Florida, LLC ("SH"), which is a Florida limited liability company. SH's principal address is 4320 Marsh Ridge Rd, Suite 190, Carrollton, TX 75010. SH does not conduct the type of business the franchisee will operate, nor has it ever offered franchises for Steamatic Businesses or franchises in any other line of business.

We have one predecessor, Steamatic, Inc. ("SI"), which was originally incorporated in Utah on June 26, 1967. SI was the franchisor of the Steamatic franchise system from December 27, 1967 through April 2019. On May 30, 1986, SI merged with Blackstone Investment Corporation, a Utah corporation. The surviving company was named Steamatic, Inc. On February 20, 1987, the Utah corporation merged into a Texas corporation also known as Steamatic, Inc. for the sole purpose of changing its state of incorporation from Utah to Texas. SI granted the master franchise rights in Canada to Steamatic Canada Inc. ("SCI"), in January 2012. SI assigned its rights and obligations under the master franchise agreement to GDI Services Aux Immeubles Inc. ("GDI"), a Canadian corporation, in December 2014, but retained all ownership of the Steamatic trademarks and operations manual and licensed them to GDI. SL has no ownership in GDI or SCI. On April 1, 2019, we acquired substantially all of the assets of SI.

We have one affiliate, JLG Florida LLC, ("JLG") that operates three Steamatic Businesses similar to the type offered in this Franchise Disclosure Document. The first is located in Nashville, Tennessee, ("Steamatic of Nashville"), and has operated one Steamatic Business since February 2020. The second is located in Dallas, Texas, ("Steamatic North Texas") and has operated one Steamatic Business since January 2023. The third is located in Houston, Texas, ("Steamatic North Houston") and has operated one Steamatic Business September 2023. JLG does not provide any products or services to franchisees and has not offered franchises for Steamatic Businesses or franchises in any other line of business.

Our agent for service of process in Corporation Service Company, 1201 Hays Street, Tallahassee, FL 32301. Our agents for service of process for other states are identified by state in Exhibit A. If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed above in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

The Franchise

We offer franchises ("Steamatic Franchise(s)" or "Franchise(s)") for the use of our "STEAMATIC" trademarks, trade names, service marks and logos ("Marks") for the operation of Steamatic Businesses. Steamatic Businesses are operated under our proprietary Steamatic system ("System"). The System may be changed or modified by us throughout your ownership of the Franchise. Steamatic Businesses use Steamatic technology to provide the following services to commercial and residential customers: (i) catastrophe (fire, smoke, water, wind, weather, explosion and other similar events) restoration and cleaning services to interior and exterior structures and contents; (ii) indoor and interior environmental and air quality services, including testing, assessment, remediation, restoration and cleaning of structure interiors; transportation vehicles; air conveyance, duct and ventilation systems; heating, furnace and air conditioning units; chimneys; exhaust/ventilation systems and carpets, rugs, furniture, window coverings and other interior surfaces, contents and personal property and (iii) other services and activities that are related to all types of cleaning, maintenance, dehumidification, drying, bioremediation, and deodorization of both the interior and exterior of residential, commercial and industrial structures ("Steamatic Services").

You will operate your Steamatic Business as a mobile business from a truck or van. Most franchisees operate the Steamatic Business out of their home, but you may choose to rent a self-storage facility, executive suite office or other commercial space. You are not required to obtain additional real property from which to operate your business. You will typically need approximately 100 square feet of residential or commercial space to store equipment and supplies.

You must sign our standard franchise agreement attached to this Franchise Disclosure Document as Exhibit C ("Franchise Agreement"). You may operate one Steamatic Business for each Franchise Agreement you sign.

We also offer conversion opportunities to existing independent businesses that provide services and products similar to those offered by Steamatic Businesses ("Conversion Owners"). Conversion Owners will sign a Franchise Agreement that will include an "Addendum for Conversion Owners," which is attached to this Franchise Disclosure Document in Exhibit H. Conversion Owners must modify their business operations to our specifications, use our Marks and complete our training.

Market and Competition

Steamatic Businesses service the needs of residential and commercial customers. The market for the products and services offered by Steamatic Businesses is well-developed and highly-competitive. Steamatic Businesses compete with other businesses, including franchised operations, national chains and independently-owned companies offering catastrophe restoration and cleaning services; indoor and interior environmental and air quality services; and other services and activities that are related to all types of cleaning, maintenance, dehumidification, drying, bioremediation, deodorization and construction of both the interior and exterior of residential, commercial and industrial structures. You will also face normal business risks that could have an adverse effect on your Steamatic Business. These include industry developments, such as pricing policies of competitors, and supply and demand.

Industry-Specific Laws

Your Steamatic Business will be subject to various federal, state and local laws and regulations affecting your Steamatic Business. These may include federal, state, and local occupational health and safety regulations as well as licensing requirements to perform restoration work such as construction, HVAC maintenance, mold remediation, lead paint and asbestos testing and abatement and other services. Your Steamatic Business may also be subject to environmental laws, such as National Emissions Standards

for Hazardous Air Pollutants (NESHAP). You must comply with all federal, state and local regulations regarding disposal of waste products and unused cleaning products. There may be licensing or certification requirements for applying disinfectants, sanitizers and other anti-microbials that are Environmental Protection Agency (EPA) registered. There are environmental and pesticide regulations that apply to the handling, use and disposal of some chemicals used in cleaning and to disposal of waste from carpet cleaning, dry cleaning and other restoration services provided as a part of the Steamatic Business. The state where your Steamatic Business is located may also have special licensing requirements for parts of the Steamatic Business and the providing of services such as heating, furnace, air conditioning, ventilation and air conveyance system cleaning, as well as pesticide applications and carpet laying. Some states may require that you obtain general contractor license and home inspector's license, and some localities also require licensing. As a general contractor, you may have worker's compensation liability for employees of your subcontractors if they fail to maintain the Worker's Compensation Insurance required by state law. If you provide construction services, you may need to obtain additional permits and licenses, and you may need to obtain additional insurance and bonding. You must obtain all necessary permits, licenses, and approvals to operate your Steamatic Business or employ someone with these licenses or the experience and training to obtain these licenses to perform some of the Steamatic Services in the franchised Territory. You should investigate those requirements prior to the purchase of a Franchise.

Any person who drives the vehicle used in the operation of the Steamatic Business must have a valid driver's license, and each of your vehicles must be properly licensed and insured. The requirements for these licenses may vary, depending on your location.

You should consult with a legal advisor about whether these and/or other requirements apply to your Steamatic Business. Failure to comply with laws and regulations is a material breach of the Franchise Agreement.

ITEM 2
BUSINESS EXPERIENCE

Managing Director: Brent Adamczyk

Mr. Adamczyk has been our Managing Director in Dallas, Texas since April 2019. From October 2013 until April 2019, Mr. Adamczyk served in a variety of roles within SH including Estimator, Estimating Manager, Operations Manager, and Managing Partner in Melbourne, Australia.

Director of Training and Education: Frank Van Zant

Mr. Van Zant has been our Director of Training and Education in Dallas, Texas since April 2019. From August 1992 until March 2019, Mr. Van Zant was the Director of Training and Education of our predecessor, SI, in Fort Worth, Texas.

Vice President: Chad Rhoden

Mr. Rhoden has been our Vice President in Dallas, Texas since June 2021. From August 2017 to June 2021, Mr. Rhoden was Director of Operations for Paragon - A Wardlaw Company in Dallas, Texas.

Director of Operations: Zachary Ledford

Mr. Ledford has been our Director of Operations in Dallas, Texas since June 2021. From December 2019 to June 2021, Mr. Ledford served as General Manager of Steamatic Nashville in Nashville, Tennessee. From January 2019 to December 2019, Mr. Ledford served as Property Specialist of Esurance in

Simpsonville, South Carolina. From April 2008 to January 2019, Mr. Ledford served as Operations Manager of Steamatic in Simpsonville, South Carolina.

ITEM 3
LITIGATION

W.R.S. Investments, Inc., et al. v. Steamatic, LLC. et al.
Case No. 352-334024-22, In the District Court of the of the 352nd Judicial District, Tarrant County, Texas

On June 10, 2022, W.R.S. Investments, Inc., Natty Flat, Inc., f/k/a Steamatic, Inc. and William R. Sims ("WRS Parties") filed suit against SL and Johns Lyng Group, Limited ("JL Parties") for claims arising under an asset purchase agreement that the parties entered into ("APA") whereby the WRS Parties sold the Steamatic franchise system to the JL Parties and sought lost earn-out payments, attorney fees and exemplary damages. The WRS Parties alleged that the JL Parties breached the APA by failing to sell franchises during the earn-out period. The JL Parties filed a counterclaim and alleged that the WRS Parties misrepresented the state of the Steamatic franchise network at the time of the APA and that the system was not marketable upon acquisition and required significant resources to be a marketable system. The WRS Parties and JL Parties each asserted claims of breach of contract, fraud and fraudulent inducement. The parties reached a confidential settlement agreement in which: (i) the JL Parties agreed to pay the WRS Parties the sum of $1,140,000; (ii) the JL Parties and WRS Parties and their affiliates agreed to terminate a franchise agreement that SL had maintained with an affiliate of the WRS Parties; (iii) the WRS Parties and their affiliates and owners agreed to no longer operate or hold themselves out as being affiliated with the Steamatic brand; (iv) the JL Parties were given the right to purchase certain assets related to the terminated franchised business from the WRS Parties and their affiliates; (v) the WRS Parties and their affiliates were relieved of any covenant not to compete; (vi) the WRS Parties and their affiliates and the JL Parties each signed general releases in favor of one another; and (vii) the case was dismissed with prejudice.

Other than this action, 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 must pay us an initial franchise fee ("Initial Franchise Fee") when you sign the Franchise Agreement. The Initial Franchise Fee is payment for the pre-opening assistance that we provide to you to allow you to open your Steamatic Business and also offsets some of our franchisee recruitment expenses. The Initial Franchise Fee will be determined by the size of the population in your territory and calculated as follows:

Territory Population	Initial Franchisee Fee
Up to 250,000	$40,000
250,000 to 400,000	$40,000 + $200 for every 1,000 individuals over 250,000

Generally, we grant Franchises with Territories with populations ranging from 250,000 to 400,000; however, we may grant Franchises with less than 250,000 in rural areas or other sparsely populated territory. A single Steamatic Franchise will have a maximum population size of approximately 400,000. The Initial Franchise Fee for a Steamatic Franchise with a population size of 400,000 would be $70,000. The Initial Franchise Fee is uniformly imposed and deemed fully earned by us once paid and is non-refundable.

Conversion Owner Discount

We offer a discount on the Initial Franchise Fee to qualifying Conversion Owners. Conversion Owners with verified annual gross revenue of at least $200,000 for the most recently completed calendar year ("Historical Sales") will receive a discount of 10% off the Initial Franchise Fee and a reduced royalty for up to 24 months (as discussed in Item 6 below) when they convert their existing business to a Steamatic Franchise.

We will discount the Initial Franchise Fee an additional 5% for each additional $100,000 in Historical Sales (over and above $200,000), up to a maximum discount of 50%, as follows:

Historical Sales	Initial Franchise Fee Discount
$200,000 - $299,999	10%
$300,000 - $399,999	15%
$400,000 - $499,999	20%
$500,000 - $599,999	25%
$600,000 - $699,999	30%
$700,000 - $799,999	35%
$800,000 - $899,999	40%
$900,000 - $999,999	45%
$1,000,000 and Above	50%

The Initial Franchise Fee for a Conversion Owner could range between $20,000 (for a Conversion Owner with a Territory with a population size of 250,000 that qualifies for the 50% discount) to $70,000 (for a Conversion Owner with a Territory with a population size of 400,000 that does not qualify for any discount.) The historical sales figures above should not be construed as and are not intended to be a statement of projected income by us.

Steamatic Employee Discount

We also offer a discount on the Initial Franchise Fee to prospective franchisees who have been employees of an existing Steamatic Franchise for at least two years. The discount on the Initial Franchise Fee will apply as follows:

Prospective Franchisees' Consecutive Years of Employment	Discount on Initial Franchise Fee
2	$5,000

Prospective Franchisees' Consecutive Years of Employment	Discount on Initial Franchise Fee
3	$7,500
4	$10,000
5	$12,500
6	$15,000
7	$17,500
8	$20,000
9	$22,500
10+	$25,000

During our last fiscal year ended December 31, 2023, we collected Initial Franchise Fees ranging between $30,000 and $40,000. The low end was for an existing Steamatic Employee Discount.

Franchise Startup Fee

You must pay us a Franchise startup fee ("Franchise Startup Fee") of $5,000 for each Steamatic Business when you sign the Franchise Agreement. The Franchise Startup Fee includes initial printed marketing materials for local franchise marketing. The Franchise Startup Fee is uniform and not refundable under any circumstances.

Franchise Equipment Package

You must purchase a "Franchise Equipment Package" of startup items from us. This fee will be due before you begin your operation of your Steamatic Business, which is typically within 90 days after you sign the Franchise Agreement. There are two Franchise Equipment Packages to choose from: Package A and Package B.

"Package A" is $62,142 and "Package B" is $93,027, plus shipping expenses of approximately $3,500 to $5,500 and any applicable sales taxes. Both packages include cleaning equipment, cleaning supplies and training and operational materials. Package A includes a portable cleaner while Package B includes a truck mounted cleaner. If you choose Package B, you are responsible for any installation fees for the truck mounted cleaner. You may be required to pay third parties for installation. The prices of the Franchise Equipment Packages are not dependent on the size or population of your territory. The purchase price and shipping for the Franchise Equipment Package is uniformly imposed and not refundable under any circumstances.

Financial Assurances

Some states have imposed a financial assurance. Please refer to the State Addendum in Exhibit E to the Franchise Disclosure Document.

ITEM 6
OTHER FEES

Type of Fee [1]	Amount	Due Date	Remarks
Royalty[2][3][4][5]	1% to 8% of monthly Gross Revenue (see Notes 2, 3, 4 and 5)	Due by the 10th day of each calendar month for the previous month	The "Royalty" is based on "Gross Revenue" during the previous month. Your Royalty is an ongoing payment that allows you to use the Marks and the intellectual property of the System and pays for our ongoing support and assistance. If you reach certain Gross Revenue milestones during the year, your Royalty rate will decrease. Qualifying Conversion Owners pay a reduced Royalty for up to 24 months. Your aggregate Gross Revenue calculation will reset each year on January 1, regardless of when you open your Steamatic Business.
Brand Fund Contribution	Then-current fee (currently 2% of monthly Gross Revenue)	Due by the 10th day of each calendar month for the current month	This contribution is used for a system-wide "Brand Fund" for our use in promoting and building the Steamatic brand. We can increase the Brand Fund contribution to 3% if approved by 65% of the then-existing Steamatic Franchises. See Item 11 for more information.
Local Advertising Requirement	The difference between the amount you spent on local advertising each month and your required local advertising expenditure (an average of 5% of monthly Gross Revenue)	Payable within five days after receipt of invoice	If you fail to meet your required local advertising requirement on local advertising, you must pay us the difference between the amount you spent and the required advertising expenditure, which will be contributed to the Brand Fund. We require that you spend 5% of your monthly Gross Revenue on local advertising, beginning on your seventh month of operations.

Type of Fee [(1)]	Amount	Due Date	Remarks
Territory Infringement Fines	$1,000, plus invoice amount for services rendered for first violation; $5,000, plus invoice amount for services rendered for second and subsequent violations	Payable within five days after infringement is discovered	Payable to us if you infringe on another Steamatic franchisee's territory by receiving payment for products and/or services provided and/or rendered within the other franchisee's territory without his or her permission. We may direct the funds at our option (See Item 12 for more information).
National Customer Accounts Program Administrative Fee	Our then-current fee (currently 3% to 5% of invoiced amount)	As incurred	If you elect to participate in the National Customer Accounts Program ("NCAP") you will be required to pay an administrative fee. This fee is deducted from all payments for work performed for any NCAP customer, and is paid to us or our affiliate (if any) for administering the NCAP, servicing customers, and collecting from customers. The fee will vary depending on the source of the lead(s) (see Item 12). If you participate in NCAP, you will owe this fee in addition to the Royalty fee, Brand Fund contribution, local advertising requirement, and all other relevant fees.
Referral Fee for Jobs Referred by Us or a Special Contractor	Varies depending on the job (approximately 5% to 10% of the total job value)	Same as Royalty, unless billed and fee deducted by us	If we determine, in our sole discretion, that a community-wide event, other large-scale single loss and/or catastrophe event within the territory requires services exceeding your physical and financial capabilities or that you lack a requirement of qualification for a NCAP or required licenses, then we, or other franchises, affiliated companies or specially-trained and equipped contractors ("Special Contractors"), may perform the requested work. This fee is payable to us for jobs referred to you by us or a Special Contractor. We may bill the customer and deduct this fee before payment to you. We do not guarantee any minimum level of referred jobs. If we or a Special Contractor refer jobs to you, you will owe this fee in

Type of Fee [(1)]	Amount	Due Date	Remarks
			addition to the Royalty fee, Brand Fund contribution, local advertising requirement, and all other relevant fees.
Regional Advertising Cooperatives	Established by cooperative members, between 1% and 2% of Gross Sales	Established by cooperative members	We currently do not have a cooperative, but reserve the right to require one to be established in the future. Each Steamatic Business we own that exists within the cooperative's area will contribute to the cooperative on the same basis as franchisees. We anticipate that each Steamatic franchisee and each Steamatic Business that we own will have one vote for each Steamatic operated in the designated market. Item 11 contains more information about advertising cooperatives.
Unauthorized Advertising Fee	$500 per occurrence	On demand	This fee is payable to the Brand Fund if you use unauthorized advertising in violation of the terms of the Franchise Agreement.
Insurance	You must reimburse our actual costs, plus a one-time 20% administrative fee	On demand	If you fail to obtain insurance, we may obtain insurance for you and you must reimburse us for the cost of insurance obtained, plus 20% of the premium as an administrative cost of obtaining the insurance.
Additional Training or Assistance	Our then-current fee (currently $500 per day), plus our personnel per diem charges, travel and living expenses	Payable in advance of the training or assistance	We provide initial training at no charge for up to four attendees, provided all attendees attend the same initial training program. We may charge you for additional training for you or additional persons, for refresher training courses, advanced training courses and additional or special assistance or training you need or request.

Type of Fee [(1)]	Amount	Due Date	Remarks
Technology Fee[(6)]	Then-current fee (not currently charged)	Due by the 10th day of each calendar month for the current month	This fee covers certain technologies used in the operation of your Steamatic Business. We reserve the right to upgrade, modify and add new technologies and software throughout the term of the Franchise Agreement. You will be responsible for any increase in fees that result from any upgrades, modifications or additional software.
Convention Fee	Our then-current fee (currently $495, or $395 for early registration), plus your personnel's travel and living expenses	60 days prior to the date of the convention	You are required to attend all meetings designated by us as mandatory, including our annual convention, unless excused by us. One management-level individual must attend on behalf of each of your Steamatic Business locations. This fee is due whether or not you attend our annual convention in any given year. You may be required to pay us fees prior to events to offset the cost of conventions or other programs.
Customer Issue Resolution	Reasonable costs we incur for responding to a customer complaint (including administrative costs), which varies	On demand	Payable if a customer of the Steamatic Business contacts us with a complaint and we provide a gift card, refund or other value to the customer as part of our addressing the issue.
Payment Service Fee	Up to 4% of total charge	As incurred	If payment is made to us or our affiliates (if any) by credit card for any fee required, we may charge a service charge of up to 4% of the total charge.
Late Payment Fee	$100 per occurrence, plus the lesser of the daily equivalent of 18% per year simple interest or the highest rate allowed by law	As incurred	Payable if any payment due to us or our affiliates (if any) is not made by the due date. Interest accrues from the original due date until payment is received in full.

Type of Fee [(1)]	Amount	Due Date	Remarks
Interest	Lesser of the daily equivalent of 18% per year simple interest or the highest rate allowed by law	As incurred	Charged on any late payments of fees, amounts due for product purchases, or any other amounts due to us or our affiliates (if any), including Royalties. Interest will continue to accrue until the interest and the overdue amount are both paid. This fee is in addition to the late payment fee.
Returned Check or Non-Sufficient Funds Fee	Lesser of $50 or maximum amount allowed by law per occurrence	As incurred	Payable if any check or electronic payment is not successful due to insufficient funds, stop payment or any similar event.
Failure to Submit Required Report Fee	$20 per day, plus interest on any unpaid amounts	As incurred	Payable if you fail to submit any required report when due. Fines collected are paid to us. You will continue to incur this fee until you submit the required report.
Audit Expenses	Cost of audit and inspection, any understated amounts, any related accounting and legal expenses, and related travel and administrative expenses, plus interest (we estimate this cost to be between $1,000 and $10,000)	On demand	You will be required to pay these costs if an audit reveals that you understated monthly Gross Revenue by more than 2%, or if you fail to submit required reports. In our discretion, we may require you to undergo an annual audit or inspection at your expense.
Management Fee	$250 per day, plus costs and expenses	As incurred	Payable if we or our affiliate (if any) manage(s) the Steamatic Business because you are in breach of the Franchise Agreement, or upon your, the operating principal's, or the designated manager's absence, termination, death or disability.

Type of Fee [(1)]	Amount	Due Date	Remarks
Professional Fees and Expenses	Will vary under circumstances	As incurred	You must reimburse us for any legal, accounting or other professional fees that we incur as a result of any breach or termination of your Franchise Agreement. You must reimburse us if we are required to incur any expenses in enforcing our rights against you under the Franchise Agreement. You will also be required to pay any professional fees that we incur for certain transfers as discussed in this Item 6. You will also be responsible for any fees we incur for any transfer that is not completed.
Indemnification	Will vary under circumstances	As incurred	You must indemnify and reimburse us for any expenses or losses, including professional fees that we or our representatives incur related in any way to your Steamatic Business or Franchise.
Renewal Fee	$5,000	At the time you submit notice of intent to renew	Payable if you qualify to renew your Franchise Agreement and choose to enter into a successor franchise agreement.
Transfer Fee	$12,000	$1,000 non-refundable deposit at time of transfer application submittal, and the remaining balance of fee at time of approved transfer	Payable in connection with the transfer of your Steamatic Business, a transfer of ownership of your legal entity, or your Franchise Agreement. You will not pay this fee if your Steamatic Business is transferred to a corporation which you control (you will only be responsible for our legal fees).
Liquidated Damages[(7)]	Will vary under the circumstances	Within 15 days after termination of the Franchise Agreement	Due only if we terminate the Franchise Agreement before the end of the term because of your material breach, or you terminate the Franchise Agreement without legal cause.
Broker Fees	Our actual cost of the brokerage commissions, finder's fees, or similar charges	As incurred	If you transfer your Steamatic Business to a third party or purchaser, you must reimburse all of our actual costs for commissions, finder's fees and similar charges.

Notes:

1. Fees. All fees paid to us or our affiliates (if any) are uniform and not refundable under any circumstances once paid. Fees paid to vendors or other suppliers may be refundable depending on the vendors and suppliers. We currently require you to pay fees and other amounts due to us or our affiliates (if any) via electronic funds transfer ("EFT") or other similar means. You are required to complete the EFT authorization (in the form attached to this Franchise Disclosure Document in Exhibit H). We may require an alternative payment method or payment frequency for any fees or amounts owed to us or our affiliates (if any) under the Franchise Agreement. All fees are current as of the Issuance Date of this Franchise Disclosure Document. Certain fees that we have indicated may increase over the term of the Franchise Agreement. Also, any fee expressed as a fixed dollar amount is subject to adjustment based on changes to the Consumer Price Index ("CPI") in the United States. We may periodically review and increase these fees based on changes to the CPI (in addition to any other increase), but only if the increase to the CPI is more than 5% higher than the corresponding CPI in effect on: (a) the effective date of your Franchise Agreement (for the initial fee adjustments); or (b) the date we implemented the last fee adjustment (for subsequent fee adjustments). We will notify you of any CPI adjustment at least 60 days before the fee adjustment becomes effective. We will implement no more than one CPI-related fee adjustment during any calendar year.

2. Royalty. The term "Gross Revenue" means the total of all revenue, income and consideration from the sale of all Steamatic products and services to your customers whether or not sold or performed at or from the Steamatic Business, and whether received in cash, coupon, in services in kind, from barter or exchange, on credit (whether or not payment is received) or otherwise. If you offer any services, all receipts from these services are included in Gross Revenue. Gross Revenue includes all proceeds from any business interruption insurance. You may deduct from Gross Revenue for purposes of this computation (but only to the extent they have been included) the amount of all sales tax receipts or similar tax receipts that, by law, are chargeable to customers, if the taxes are separately stated when the customer is charged and if the taxes are paid to the appropriate taxing authority. You may also deduct from Gross Revenue the amount of any documented refunds, chargebacks, credits, charged tips and allowances you give in good faith to your customers. All barter or exchange transactions in which you furnish products or services in exchange for products or services provided to you by a vendor, supplier or customer will, for the purpose of determining Gross Revenue, be valued at the full retail value of the products or services so provided to you.

3. The Royalty varies depending on the nature of the services provided and your aggregate Gross Revenue. For purposes of computing your Royalty, services are divided into three categories, as follows:

"Subcontract Portion"	The Gross Revenue derived from the Steamatic Services provided by any subcontractor you retain or refer. Subcontracted services and products must be approved by us in advance.
"Construction Portion"	The Gross Revenue derived from the sale of products and services on projects that involve construction or re-construction.
"Adjusted Gross Revenue"	All Gross Revenue that does not fall within the Subcontract Portion or Construction Portion of Gross Revenue.

Should a dispute arise regarding the nature of services provided, we have sole discretion to make the final determination for purposes of calculating Royalty.

4. If you reach certain Gross Revenue milestones during the year, your Royalty rate will decrease as shown in the table below. Your aggregate Gross Revenue calculation will reset each year on January 1. If you reach a Gross Revenue milestone during the year, the discounted Royalty will be adjusted beginning the first day of the following month. The new rate will apply only to Gross Revenue received after the new rate becomes effective, and depends on your annual Gross Revenue according to the following table:

Annual Gross Revenue Ranges	Rate Applicable to Adjusted Gross Revenue	Rate Applicable to the Subcontract Portion of Gross Revenue	Rate Applicable to the Construction Portion of Gross Revenue
$0 - $500,000	8%	4%	2%
$500,001 - $1,000,000	7%	3.5%	2%
$1,000,001 - $1,500,000	6%	3%	1%
$1,500,001 - $2,000,000	5%	2.5%	1%
$2,000,001 - $2,500,000	4%	2%	1%
$2,500,001 - $3,000,000	3%	1.5%	1%
$3,000,001 and above	2%	1%	1%

The Gross Revenue ranges above should not be construed as and are not intended to be a statement of projected income by us.

5. Qualifying Conversion Owners with verified Historical Sales of at least $200,000 for the most recently completed calendar year will have a reduced Royalty for up to 24 months, as follows:

Months of Operation	The Rate Applicable to Adjusted Gross Revenue*	The Rate Applicable to the Subcontract Portion of Gross Revenue*	Rate Applicable to the Construction Portion of Gross Revenue
1 - 12	Not higher than 4%	Not higher than 2%	No reduction
13 - 24	Not higher than 6%	Not higher than 3%	No reduction

*Conversion franchisees will pay the lesser of the Royalty rates listed in Note 4 and Note 5.

Beginning in the third year of operation, the Royalty will be calculated using the sliding scale based on total annual Gross Revenue described in Note 4 above.

6. Technology Fee. We reserve the right to provide you with certain technical services and products in exchange for your monthly technology fee, which may change from time to time based on changes to the technical services we provide and/or our costs to provide these services and products. We do not currently charge the technology fee. We reserve the right to license, sublicense, and create software and technology that Steamatic franchisees must pay for and use. We can change the software and technology that must be used by our franchisees at any time, which may result in changes to the technology fee.

7. Liquidated Damages. Liquidated damages are determined by multiplying the combined monthly average of Royalties and Brand Fund contributions (without regard to any fee waivers or other reductions) that you owe to us, beginning with the date you open your Steamatic Business through the date of early termination, multiplied by the lesser of: (i) 36 or (ii) the number of months remaining in the term of the Franchise Agreement, except that liquidated damages will not, under any circumstances, be less than $30,000.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Single Franchise

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Initial Franchise Fee[1]	$40,000	$70,000	Lump Sum	Upon Signing of Franchise Agreement	Us
Franchise Startup Fee[2]	$5,000	$5,000	Lump Sum	Upon Signing of Franchise Agreement	Us
Training Expenses[3]	$2,000	$3,000	As Incurred	As Incurred	Third Parties
Insurance[4]	$2,000	$3,000	As Incurred	As Incurred	Insurance Company
Franchise Equipment Package[5]	$62,142	$93,027	Lump Sum	Upon Signing of Franchise Agreement	Us
Franchise Equipment Package Shipping Expenses[5]	$3,500	$5,500	Lump Sum	As Incurred	Us
Optional HVAC Equipment Package[5]	$7,880	$8,880	Lump Sum	As Incurred	Us
Franchise Equipment Package Installation[5]	$2,500	$5,500	As Incurred	As Incurred	Third Parties
Vehicle wrap and installation	$3,500	$6,750	As Incurred	As Incurred	Third Parties
Vehicle[6]	$10,000	$75,000	Lump Sum	As Incurred	Third Parties
Storage[7]	$0	$600	As Incurred	Lump Sum	Third Parties

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Computer System[8]	$2,500	$5,000	As Incurred	As Incurred	Third Parties
Software License Fee[9]	$1,500	$2,500	As Incurred	As Incurred	Third Parties
Miscellaneous Expenses[10]	$9,000	$14,000	As Incurred	As Incurred	Third Parties
Additional Funds - 3 Months[11]	$75,000	$150,000	As Incurred	As Incurred	Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT	$226,522	$447,757			

Conversion Franchise

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Initial Franchise Fee[1]	$20,000	$70,000	Lump Sum	Upon Signing of Franchise Agreement	Us
Franchise Startup Fee[2]	$5,000	$5,000	Lump Sum	Upon Signing of Franchise Agreement	Us
Training Expenses[3]	$2,000	$3,000	As Incurred	As Incurred	Third Parties
Insurance[4]	$2,000	$3,000	As Incurred	As Incurred	Insurance Company
Franchise Equipment Package[5]	$62,142	$93,027	Lump Sum	Upon Signing of Franchise Agreement	Us
Franchise Equipment Package Shipping Expenses[5]	$3,500	$5,500	Lump Sum	As Incurred	Us
Optional HVAC Equipment Package[5]	$7,880	$8,880	Lump Sum	As Incurred	Us
Franchise Equipment Package Installation[5]	$2,500	$5,500	As Incurred	As Incurred	Third Parties

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Vehicle wrap and installation	$3,500	$6,750	As Incurred	As Incurred	Third Parties
Vehicle[6]	$10,000	$75,000	Lump Sum	As Incurred	Third Parties
Storage[7]	$0	$600	As Incurred	Lump Sum	Third Parties
Computer System[8]	$2,500	$5,000	As Incurred	As Incurred	Third Parties
Software License Fee[9]	$1,500	$2,500	As Incurred	As Incurred	Third Parties
Miscellaneous Expenses[10]	$9,000	$14,000	As Incurred	As Incurred	Third Parties
Additional Funds - 3 Months[11]	$75,000	$150,000	As Incurred	As Incurred	Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT	$206,522	$447,757			

Notes:

These estimated initial expenses are our best estimate of the costs you may incur in establishing and operating your startup or conversion Steamatic Business. All expenditures paid to us or our affiliates (if any) are uniform and non-refundable under any circumstances once paid. All expenses payable to third parties are non-refundable, depending on their policies or your arrangements with them. We do not offer direct or indirect financing for any of these items.

1. Initial Franchise Fee. The Initial Franchise Fee will be determined by the size of the population in your territory when you sign the Franchise Agreement. The Initial Franchise Fee is equal to the sum of $40,000, plus $200 for every 1,000 individuals in excess of 250,000 individuals within your territory. The high estimate assumes your territory has the maximum population size of 400,000. In the Conversion Franchise table, the Initial Franchise Fee for a Conversion Owner could range between $20,000 (for a Conversion Owner with a Territory with a population size of 250,000 that qualifies for the 50% discount) to $70,000 (for a Conversion Owner with a Territory with a population size of 400,000 that does not qualify for any discount.) We describe the Initial Franchise Fee in detail in Item 5. Some franchisees may qualify to receive a reduced Initial Franchise Fee as described in Item 5.

2. Franchise Startup Fee. The Franchise Startup Fee includes initial printed marketing materials for local franchise marketing.

3. Training Expenses. This item estimates the travel and living expenses that each individual will incur in connection with attending our initial training program. We provide training at our headquarters in Dallas, Texas or at another location designated by us. You must pay for airfare,

transportation costs, lodging, meals and incidental expenses for all initial training program attendees. Initial training is provided at no charge, for up to four attendees, provided all attendees attend the same initial training program; if additional initial training is required, we may charge an additional fee.

4. Insurance. You must obtain and maintain, at your own expense, the insurance coverage we require, and satisfy other insurance-related obligations. If you have had prior issues or claims from previous operations unrelated to the operation of a Steamatic Business, your rates may be significantly higher than those estimated above.

5. Franchise Equipment Package. See Item 5 for more information on the two different Franchise Equipment Packages. You must also pay shipping expenses. If you purchase Franchise Equipment Package B, you may also incur installation expenses. The costs of all equipment packages have been rounded up to the nearest dollar.

6. Vehicle. This item includes an estimate for one van or box truck that you will use in the operation of your Steamatic Business ("Vehicle"). We require that the Vehicle meet the current specifications contained in the online support manual (currently, a Dodge ProMaster 1500 Cargo Van High Roof with 136-inch wheelbase or a similar vehicle that we approve). Each Vehicle must be decorated according to our specifications. You may use a vehicle you currently own as your Vehicle, provided it meets our specifications. The low estimate provides a down payment of $7,000 and three months of lease payments at $500 on a 60-month lease for one Vehicle. The high estimate provided reflects the purchase price of a Vehicle.

7. Storage. You will operate your Steamatic Business as a mobile business from the Vehicle. Most franchisees operate the Steamatic Business out of their home, but you may choose to rent a self-storage facility, executive suite office or other commercial space. You are not required to obtain additional real property from which to operate your business.

   The Steamatic Business may also be operated from office buildings, business parks and other commercial real estate locations. If you decide to operate your Steamatic Business out of an office, you will be solely liable for its compliance with all applicable business ordinances and building codes, and for obtaining all necessary health, building, sign and other permits, licenses and bonds as may be required for the operation of the office. While we have no restrictions or requirements for square footage and/or building type, we have found that franchisees who decide to rent office and/or storage space typically rent a self-storage unit and/or move into a small industrial park office sized between 800 and 1,500 square feet. Your actual rent payments may vary depending upon your location and your market's lease rates. Because you are not required to rent office space, we have not included these expenses (and related expenses associated with an office) in this Item 7.

8. Computer System. See Item 11 for more details regarding the required hardware and software.

9. Software License Fee. This estimate is for three months of the following fees prior to opening: a $186 monthly fee for one user of the Xactimate software, based on Xactware's current pricing; a $750 monthly fee and $500 setup fee for one DASH project management license; a $150 monthly fee per user for QuickBooks online accounting software; and an $80 monthly fee per user and $450 setup fee for the Mica mitigation management software. The low estimate assumes a license for a single user and office location is required, and the high estimate assumes a license for two users operating at one office location is needed. If you require licenses for multiple offices, additional fees will apply.

10. Miscellaneous Expenses. This estimate includes the following miscellaneous expenses: (a) state and local licensing fees, if any; (b) sales and use taxes; (c) telephone and cell phone; (d) freight; (e) background checks on employees; (f) employee uniform costs; (g) monthly Internet connection and service charges prior to opening; (h) a digital document sending and receiving system; and (i) initial charges for 24 hour/7-day-a-week telephone service. A new franchisee may use a dedicated mobile phone line to provide telephone service.

11. Additional Funds. These amounts represent our estimate of the amount needed to cover your expenses for the initial three-month startup phase of your Steamatic Business. These expenses include items such as inventory replenishment, advertising and marketing expenses, utilities and other routine operating costs during the first three months of operation, but not any draw or salary for you. These figures do not include standard pre-opening expenses, such as incorporation fees or employee recruitment, Royalties or Brand Fund contributions payable under the Franchise Agreement or debt service, and assume that none of your expenses are offset by any sales generated during the startup phase. For purposes of this disclosure, we estimated the startup phase to be three months from the date your Steamatic Business opens for business. Our estimates are based on our franchise experience and the current requirements for Steamatic Businesses. All expenditures payable to us are uniform and non-refundable under any circumstances once paid.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Standards and Specifications

You must operate your Steamatic Business in strict conformity with the methods, standards and specifications we list in our proprietary and confidential digital operating manual (the "Online Support Manual"), which is a digital interface with Power Point presentations, videos and other information. You must not: (i) deviate from these methods, standards and specifications without our prior written consent; or (ii) otherwise operate in any manner which reflects adversely on our Marks or the System.

Our Online Support Manual states our standards, specifications and guidelines for all products and services we require you to obtain in establishing and operating your Steamatic Business and approved vendors for these products and services. We will notify you of new or modified standards, specifications and guidelines through periodic amendments or supplements to the Online Support Manual or through written communication (including electronic communication such as email or through a system-wide intranet). We will issue copies of our standards and specifications to you and approved and proposed suppliers, unless these standards and specifications contain our confidential information.

You must purchase, install, maintain in sufficient supply and use equipment, signs, inventory and supplies that conform to the standards and specifications described on the Online Support Manual or otherwise in writing.

You must use the computer hardware and software that we periodically designate to operate your Steamatic Business. You must obtain the computer hardware, software licenses, maintenance and support services, email accounts and other related services that meet our specifications from the suppliers we specify. You are currently required to use the Xactimate software. Currently, you are also required to use DASH project management software, QuickBooks and Mica mitigation management software.

All of your bookkeeping and accounting records, financial statements and all reports you submit to us must conform to the requirements described on the Online Support Manual and other operational and training materials provided by us.

You must obtain the insurance coverage required under the Franchise Agreement, as follows: (1) commercial general liability coverage containing minimum liability coverage of $1,000,000 per occurrence for bodily injury, property damage, and personal injury; minimum liability coverage of $2,000,000 general aggregate; $2,000,000 products/completed operation aggregate; and umbrella or follow-form excess liability coverage of an additional $1,000,000 per occurrence/$1,000,000 aggregate; (2) business interruption insurance for a period adequate to re-establish normal business operations; (3) pollution coverage of $1,000,000 per occurrence/$2,000,000 aggregate; (4) liability coverage of owned, hired and non-owned automobiles under one or more policies of insurance containing minimum liability coverage of $1,000,000 combined limit; (5) professional liability coverage of $1,000,000 each occurrence; (6) workers' compensation coverage of $500,000 or higher amount required by statute or rule in the state in which your Steamatic Business is located; (7) automobile coverage for any Vehicles used in the Steamatic Business of $1,000,000 per occurrence; (8) underinsured or uninsured coverage that satisfies state requirements in the state(s) in which you operate your Vehicle(s); (9) any other insurance that may be required by statute or rule in the state(s) in which your Steamatic Business is located; and (10) any other insurance that we may require in the future or that may be required according to the terms of your lease, or other circumstances. The insurance company must be authorized to do business in the state where your Steamatic Business is located, and must be approved by us, as we require only A.M. Best & Company, Inc. "A" rated carriers.

We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage at any time. All insurance policies must name us and any affiliates we designate as additional named insured parties. Your policy must provide that the insurer will not cancel or materially alter the policies without giving us at least 30 days' prior written notice. If you fail to obtain the insurance coverages that we require, we may purchase insurance for you, and you must reimburse all of our expenses related to obtaining the insurance for you, plus 20% of the premium as an administrative cost of obtaining the insurance.

You will be required to perform annual background checks on all employees who enter the homes or businesses of your customers and follow other instructions provided on the Online Support Manual and other operational, marketing and training materials that we provide.

You may be required to participate in market research and testing, or service and product development programs.

Purchases from Approved Suppliers

We will provide you with a list of our designated and approved suppliers on our Online Support Manual. You must purchase the Franchise Equipment Package from us or an approved vendor for use in the operation of your Steamatic Business. The Franchise Equipment Package is described in Item 5 and Item 7. You must purchase certain initial inventory, materials and supplies from us in establishing and operating your Steamatic Business, and we are an approved supplier of these certain items. We and our affiliates (if any) may derive revenue from these sales and may sell these items at prices exceeding our or their costs. We currently do not collect rebates or commissions for products sold to franchisees. Some of our officers own equity in the franchisor, which is an approved supplier.

We expect that most franchisees will operate out of their Vehicle(s) and their homes. The Vehicle(s) you use to operate your Steamatic Business must conform to certain standards and specifications of ours as stated on our Online Support Manual. If you do not already own a suitable vehicle, you must purchase or lease a new or used Vehicle. Each Vehicle must be decorated according to our specifications.

You must purchase or lease all products, services, equipment, supplies, inventory and materials under our specifications, which may include purchasing these items from: (i) our designees; (ii) approved suppliers; and/or (iii) us or our affiliates. We estimate that approximately 25% to 50% of purchases required to open your Steamatic Business, and 25% to 50% of purchases required to operate your Steamatic Business will be from us or from other approved suppliers and under our specifications.

We do not have purchasing and distribution cooperatives as of the Issuance Date of this Franchise Disclosure Document. However, we may negotiate purchase arrangements with suppliers and distributors of approved products for the benefit of our franchisees. We and our affiliates, if any, reserve the right to receive rebates or volume discounts from our purchase of equipment and supplies that we resell to you or from your purchase of products and services, and we have no obligation to pass them on to our franchisees or use them in any particular manner. We do not provide material benefits to franchisees based on their use of designated or approved sources. There are no caps or limitations on the maximum rebates we may receive from our suppliers as the result of franchisee purchases. During our last fiscal year ended December 31, 2023, we derived $780 in revenue from the sale or lease of products or services to franchisees. This revenue represents approximately .05% of our total revenue of $1,548,169. Our revenue or other consideration received may include promotional allowances, volume discounts and other payments. Our affiliates did not receive any revenue or other material consideration as a result of franchisees' required purchases or leases.

Approval of New Suppliers

We may update the list of approved suppliers on the Online Support Manual. If you want to use or sell a product or service that we have not yet evaluated, or if you want to purchase or lease a product or service from a supplier or provider that we have not yet approved (for products and services that require supplier approval), you must notify us and submit to us the information, specifications and samples we request. The supplier may need to maintain sufficient insurance coverage and name you and us as additional insureds. If a product to be supplied will bear our name, we may require the supplier to sign a license agreement and pay us a license fee. The supplier may also be required to sign a supplier agreement with us. We may limit the number of approved suppliers. You must pay the laboratory that conducts the testing directly for the expenses of evaluating a proposed new vendor or supplier and/or its product. We estimate the cost to be between $100 and $500. We do not make our supplier specifications and/or standards generally available to franchisees or suppliers; however, we will make our criteria for suppliers of various items available to you upon reasonable request. We will respond to a request within 60 days. Our written approval must be received before you use products not purchased from an approved supplier.

We may periodically re-inspect approved suppliers' facilities and products, and we reserve the right to revoke our approval at any time if we determine, in our discretion, that the supplier, product or service no longer meets our standards. We will send written notice of any revocation of an approved supplier, product or service. When you receive written notice of a revocation, you must stop selling any disapproved products and stop purchasing from any disapproved supplier.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

	Obligation	Section in Franchise Agreement	Item in Disclosure Document
a.	Site selection and acquisition/lease	Not Applicable	Not Applicable
b.	Pre-opening purchases/leases	Sections 3, 4C and 9	Items 5, 7 and 8
c.	Site development and other pre-opening requirements	Sections 3A, 3B and 5A	Items 7, 8 and 11
d.	Initial and ongoing training	Section 5	Items 6, 7 and 11
e.	Opening	Section 3E	Item 11
f.	Fees	Sections 2A, 3, 4, 5, 9, 10, 11, 12B, 13, 14A, 15C, 17D, 18, Attachment A to the Franchise Agreement and Addendum for Conversion Owners	Items 5, 6, 7 and 11
g.	Compliance with standards and policies/operating manual	Sections 3, 4, 5, 7, 9 and 10	Items 8, 11 and 14
h.	Trademarks and proprietary information	Sections 6 and 7	Items 8, 13 and 14
i.	Restrictions on products/services offered	Sections 3C and 9D	Items 8 and 16
j.	Warranty and customer service requirements	1B	Item 6
k.	Territorial development and sales quotas	Sections 1D and 2A	Items 5 and 12
l.	Ongoing product/service purchases	Sections 3 and 9	Items 8 and 16
m.	Maintenance, appearance, and remodeling requirements	Section 9A	Items 8 and 11
n.	Insurance	Section 9G	Items 6, 7 and 8
o.	Advertising	Section 10	Items 6, 7 and 11
p.	Indemnification	Section 17D	Item 6
q.	Owner's participation/ management/staffing	Section 9F	Items 11 and 15
r.	Records and reports	Section 11	Items 6 and 11
s.	Inspections and audits	Section 12	Items 6 and 11
t.	Transfer	Section 13	Item 17

	Obligation	Section in Franchise Agreement	Item in Disclosure Document
u.	Renewal	Section 14	Item 17
v.	Post-termination obligations	Section 16	Item 17
w.	Non-competition covenants	Sections 8, 13C and 16D	Items 11, 12, 14 and 17
x.	Dispute resolution	Section 18	Item 17

ITEM 10
FINANCING

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

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

Except as listed below, SL is not required to provide you with any assistance.

Pre-opening Obligations

Before you open your Steamatic Business, we (or our designee(s)) will provide the following assistance and services to you:

1. Because you do not have to locate a site from which to operate your Steamatic Business, we do not provide you with assistance in doing so. You will operate your Steamatic Business as a mobile business from a truck or van. You may choose to rent a self-storage facility, executive suite office or other commercial space, but it is not required and does not need to be approved by us. You are not required to obtain additional real property from which to operate your business. You will typically need approximately 100 square feet of space to store equipment and supplies. Any storage space or, if you choose to lease an office, must be located in your territory (See Franchise Agreement – Sections 3A and 3B).

2. Designate your territory (See Franchise Agreement – Section 2A).

3. Provide you with the Franchise Equipment Package (See Items 5, 7 and 8 for more information) (Franchise Agreement – Section 4C).

4. Provide an initial training program in Dallas, Texas or another location, in-person or virtual, designated by us ("Initial Training Program") (described below). We provide the Initial Training Program to you, your designated manager (if any) and your employees at no charge, provided they attend the same Initial Training Program, on the material aspects of operating a Steamatic Business (Franchise Agreement – Section 5A). You must pay the wages, travel, lodging and living expenses of each attendee of yours. You, or if you are an entity, your operating principal and the manager you designate must complete the Initial Training Program to our satisfaction. Each person attending the Initial Training Program must sign a confidentiality agreement, which is attached to this Franchise Disclosure Document in Exhibit H.

5. Provide you with access to our Online Support Manual. The Online Support Manual also contains other training manuals, videos and materials, and is approximately 502 pages. The current table of contents for the Online Support Manual is attached to this Franchise Disclosure Document as Exhibit F.

We do not provide the above services to renewal franchisees and may not provide all of the above services to franchisees that purchase existing Steamatic Businesses

Schedule for Opening

The typical length of time between the signing of the Franchise Agreement or the payment of any fees and the opening of your business is 4 to 12 weeks. You must open your Steamatic Business within 90 days of signing the Franchise Agreement. Failure to open your Steamatic Business within this 90-day period is a material breach of the Franchise Agreement that provides us with the right to terminate the Franchise Agreement. The length of time between when you sign the Franchise Agreement and commence operations of your Steamatic Business will depend on the time needed to: (1) secure any necessary financing; (2) arrange for you (or your designated manager) to participate in and complete the Initial Training Program; (3) obtain any necessary permits, licenses and insurance; and (4) purchase or lease all required equipment, supplies and materials necessary for the operation of your Steamatic Business (including the Vehicle(s)). We do not anticipate any site selection process because most of our franchisees operate out of their Vehicle(s) and their homes. If you choose to operate your Steamatic Business from another location, we will not participate in selecting or approving a site for the operation of your Steamatic Business. You must comply with lease requirements and restrictions. Conversion Owners adhere to the same opening schedule as other franchisees.

You may not open your Steamatic Business until: (1) we notify you in writing that all of your pre-opening obligations have been fulfilled; (2) you and/or, if applicable, your designated manager have completed the Initial Training Program to our satisfaction; (3) the Initial Franchise Fee and all other amounts due to us have been paid (See Items 5 and 7); (4) we have been furnished with copies of all insurance policies and certificates required by the Franchise Agreement, or other documentation of insurance coverage and payment of premiums we request; (5) you notify us that all approvals and conditions stated in the Franchise Agreement have been met; (6) you have received all required permits and licenses; and (7) you have ordered and received your equipment, supplies, inventory and related materials. You must be prepared to open and operate your Steamatic Business immediately after we state your Steamatic Business is ready for opening.

Continuing Obligations

During the operation of your Steamatic Business, we (or our designee(s)) will provide the following assistance and services to you:

1. Upon reasonable request, provide advice regarding your Steamatic Business operations based on your reports and our inspections. We will guide you on standards, specifications and operating procedures and methods that Steamatic Franchises use; purchasing required and authorized equipment and other items and arranging for their distribution to you from us or the suppliers; advertising and marketing materials and programs; employee training; and administrative, bookkeeping, accounting and inventory control procedures. We will guide you through the Online Support Manual, in bulletins or other written materials, through electronic media, telephone conferences, and/or meetings at our offices or at your Steamatic Franchise location (Franchise Agreement – Section 5C).

2. Allow you to continue to use confidential materials, including the Online Support Manual and the Marks (Franchise Agreement – Sections 5D and 6A).

3. Inform you of mandatory and suggested standards, specifications, operating procedures and rules ("System Standards") for the operation of your Steamatic Franchise, as described in Item 8 (Franchise Agreement – Section 5D).

4. Maintain and administer a website to advertise, market and promote Steamatic Businesses and the products and services offered and provided by Steamatic Businesses and/or the Steamatic Business franchise opportunity (Franchise Agreement – Section 10F).

5. Issue and modify System Standards for Steamatic Franchises. We may periodically modify System Standards, and those modifications may require you to invest additional capital in the Steamatic Business and/or incur higher operating expenses (Franchise Agreement – Section 9J).

6. Maintain and administer any required third-party or proprietary software for use in the Steamatic Franchise (Franchise Agreement – Section 3D).

Optional Assistance

During the term of the Franchise Agreement, we (or our designee(s)) may, but are not required to, provide the following assistance and services to you:

1. Modify, update or change the System, including the adoption and use of new or modified trade names, trademarks, service marks or copyrighted materials, new products, new equipment or new techniques.

2. Maintain and administer the Brand Fund (Franchise Agreement - Section 10B).

3. Hold periodic national or regional conferences to discuss business and operational issues affecting Steamatic franchisees (Franchise Agreement – Section 4G).

4. Periodically provide various training courses as we deem appropriate (Franchise Agreement – Section 5B).

5. Make suggestions to you regarding your pricing policies in compliance with applicable laws and establish minimum and maximum prices to be charged by you (Franchise Agreement – Section 9H).

Advertising

Brand Fund

We have established a Brand Fund for marketing, developing and promoting the System, the Marks and Steamatic Franchises. You must pay our then-current fee (currently 2% of your monthly Gross Revenue) to the Brand Fund ("Brand Fund Contribution"). We may increase the Brand Fund Contribution to 3% of your monthly Gross Revenue if approved by 65% of the then-existing Steamatic Franchises. Steamatic Businesses owned by us will contribute to the Brand Fund on the same basis as franchisees. Your contribution to the Brand Fund will be in addition to all other advertising requirements set out in this Item 11. Each franchisee will be required to contribute to the Brand Fund, but certain franchisees may contribute on a different basis depending on when they signed their Franchise Agreement.

The Brand Fund will be administered by us, or one of our affiliates or designees, in our discretion, and we may use a professional advertising agency or media buyer to assist us. The Brand Fund will be in a separate bank account, commercial account or savings account.

We have complete discretion on how the Brand Fund will be utilized. We may use the Brand Fund for local, regional or national marketing, advertising, sales promotion and promotional materials, public and consumer relations, website development and search engine optimization, the development of technology for the System, and any other purpose to promote the Steamatic brand. We may reimburse ourselves, our authorized representatives, or our affiliates (if any) from the Brand Fund for administrative costs; independent audits; reasonable accounting, bookkeeping, reporting and legal expenses; taxes; meals; and all other direct or indirect expenses associated with the programs funded by the Brand Fund. We do not guarantee that advertising expenditures from the Brand Fund will benefit you or any other franchisee directly, on a pro rata basis, or at all. We are not obligated to spend any amount on advertising in the geographical area where you are or will be located. We will not use the Brand Fund Contributions for advertising that is principally a solicitation for the sale of Franchises, but we reserve the right to include a notation in any advertisement indicating "Franchises Available," or similar phrasing, or include information regarding acquiring a Franchise on or as a part of materials and items produced by or for the Brand Fund. We may use national and/or regional advertising agencies as the source for our advertising materials, or we may prepare them in-house.

We assume no fiduciary duty to you or other direct or indirect liability or obligation to collect amounts due to the Brand Fund or to maintain, direct or administer the Brand Fund. Any unused funds in any calendar year will be applied to the following year's funds, and we reserve the right to contribute or loan additional funds to the Brand Fund on any terms we deem reasonable.

The Brand Fund is not audited. We will provide an annual accounting for the Brand Fund that shows how the Brand Fund proceeds have been spent for the previous year upon written request.

We may at any time defer or reduce a franchisee's Brand Fund Contributions and, upon 30 days' prior written notice to you, reduce or suspend Brand Fund Contributions and Brand Fund operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Brand Fund; provided, however, that we will not terminate the Brand Fund until all monies in the Brand Fund have been spent for the permitted development, marketing and promotional purposes.

We did not collect any Brand Fund Contributions during our last fiscal year ended December 31, 2023.

Local Advertising

You must spend an average of 5% of your Gross Revenue on local advertising ("Local Advertising Requirement") beginning on your 7th month of operation. We will measure your compliance with this requirement on a rolling three-month basis, meaning that as long as your average monthly expenditure on local advertising over the three-month period equals or exceeds the minimum monthly amount that we specify, you will be deemed in compliance even if your expenditure in any given month is less than the minimum monthly amount that we specify. If you fail to spend the Local Advertising Requirement, you will be required to pay the difference to the Brand Fund. You agree, at your sole cost and expense, to issue and offer such rebates, giveaways and other promotions consistent with advertising programs established by us, and further agree to honor the rebates, giveaways and other promotions issued by other Steamatic franchisees under any such program, so long as such compliance does not contravene any applicable law, rule or regulation. You will not create or issue any gift cards/certificates and will only sell gift cards/certificates that have been issued or sponsored by us and which are accepted at all Steamatic Businesses, and you will not issue coupons or discounts of any type except as approved by us.

Advertising Cooperatives

You may be required to participate in any local or regional advertising cooperatives for Steamatic Franchises that are established. The area of each local and regional advertising cooperative will be defined by us, based on our assessment of the area. Franchisees in each cooperative will contribute an amount to the cooperative for each Steamatic Business that the franchisee owns that exists within the cooperative's area. Each Steamatic Business we own that exists within the cooperative's area will contribute to the cooperative on the same basis as franchisees. Members of the cooperative will be responsible for administering the cooperative, including determining the amount of contributions from each member. We may require that each cooperative operate with governing documents and prepare annual unaudited financial statements. We reserve the right to form, change, dissolve or merge any advertising cooperative formed in the future. If we elect to form such cooperatives, or if such cooperatives already exist near your territory, you will be required to participate in compliance with the provisions of the Online Support Manual, which we may periodically modify at our discretion.

Marketing Resources and Pre-Approvals for Marketing Materials

The Franchise Startup Fee includes approximately $5,000 of marketing materials. You must order additional sales and marketing material from us or our designated suppliers as needed. It is a material breach of the Franchise Agreement to use other marketing material without obtaining our prior written approval. If you desire to use your own advertising materials, you must obtain our prior approval, which may be granted or denied in our sole discretion. We will review your request and we will respond in writing within 30 days from the date we receive all requested information. Our failure to notify you in the specified time frame will be deemed a disapproval of your request. Use of logos, Marks and other name identification materials must follow our approved standards. You may not use our logos, Marks and other name identification materials on products to be sold or services to be provided without our prior written approval. If you use unauthorized advertising materials, you must pay a fee of $500 per occurrence to the Brand Fund.

System Website

We have established a website for Steamatic Businesses ("System Website"). We intend that any franchisee website will be accessed only through our System Website.

If you wish to advertise online, you must follow our online policy which is contained in our Online Support Manual. Our online policy may change as technology and the Internet changes. We may restrict your use of social media. We may not allow you to independently market on the Internet, or use any domain name, address, locator, link, metatag or search technique with words or symbols similar to the Marks.

We will have the right to use the Brand Fund's assets to develop, maintain and update the System Website. We may update and modify the System Website from time to time. You must promptly notify us whenever any information on your listing or web page changes or is not accurate. We have final approval rights of all information on the System Website. We may implement and periodically modify System Standards relating to the System Website.

We are only required to reference your Steamatic Business on the System Website while you are in full compliance with your Franchise Agreement and all System standards.

Advisory Council

We currently do not have, but may form, an advisory council ("Council") to advise us on advertising policies. The Council would be governed by bylaws. Members of the Council would consist

of both franchisees and corporate representatives. Members of the Council would be selected by way of a voting method specified in the Council's bylaws. The Council would serve in an advisory capacity only. We will have the power to form, change or dissolve the Council, in our sole discretion (See Franchise Agreement – Section 10E).

Software and Computer Equipment

You are required to purchase a computer system that consists of the following hardware and software, as further specified in our Online Support Manual: (a) at least one computer and monitor (or a tablet); printer; landline phone (with live 24 hours a day, 7 days a week answering service); Office 365 email account; fax machine with separate phone line or digital document sending and receiving system; and cellular phone; and (b) Xactimate structural damage repair estimating software, DASH project management software, QuickBooks online accounting software, and Mica mitigation management software ("Computer System"). We estimate the cost of purchasing the Computer System will be between $2,500 and $7,500. The Computer System will manage the daily workflow of the Steamatic Business; estimate repair costs for jobs; track inventory, supply costs, labor and other information. You must record all Gross Revenue on the Computer System. You must store all data and information in the Computer System that we designate, and report data and information in the manner we specify. You must also maintain a high-speed Internet connection at the Steamatic Business and you must maintain Internet service on your tablet computer. In addition to offering and accepting Steamatic gift cards and loyalty cards, you must use our designated payment vendors. We reserve the right to charge a technology fee to license and for support and maintenance of the software and online systems or applications.

We are not required to provide you with any ongoing maintenance, repairs, upgrades, updates or support for the Computer System. You must arrange for installation, maintenance and support of the Computer System at your cost. There are no limitations in the Franchise Agreement regarding the costs of such required support, maintenance, repairs or upgrades relating to the Computer System. The cost of maintaining, updating, or upgrading the Computer System or its components will depend on your repair history, costs of computer maintenance services in your area, and technological advances. We estimate the annual cost will range between $1,000 and $2,000, but this could vary and you will also be responsible for monthly software license fees (as discussed above). We may revise our specifications for the Computer System periodically. You must upgrade or replace your Computer System at such time as specifications are revised within 30 days after you receive notice from us. There is no limitation on the frequency and cost of this obligation.

You must pay our approved suppliers of computer software the then-current software license fees, including $186 per user per month for the Xactimate software, $750 per user per month for DASH project management software, plus a setup fee of $500, approximately $150 per user per month for QuickBooks online accounting software, and $80 per user per month (plus $7 per assignment and $450 for initial setup) for Mica mitigation management software. Discounts are available for Xactimate software subscription(s) that are purchased on a quarterly or annual basis.

You must also pay third-party vendors monthly website fees, currently $286 per month. These suppliers have the right to increase or decrease their fees at any time, in their sole discretion. We reserve the right to change our approved suppliers at any time and in our sole discretion.

We (or our designee(s)) have the right to independently access the electronic information and data relating to your Steamatic Business, and to collect and use your electronic information and data in any manner, including to promote the System and the sale of Steamatic Franchises. This may include posting financial information of each franchisee on an intranet website. There is no contractual limitation on our right to receive or use information through our proprietary data management and intranet system. We may

access the electronic information and data from your Computer System remotely, in your Steamatic Business, or from other locations.

Training

Initial Training

Before you open your Steamatic Business, you and, if applicable, your Steamatic designated manager and employees (generally 1-2 employees) must attend and successfully complete to our satisfaction our Initial Training Program. We currently provide initial training at no charge for up to four attendees, provided all attendees attend the same Initial Training Program during one of the next three Initial Training Programs offered after you sign your Franchise Agreement. We reserve the right to charge for the Initial Training Program in the future. We may charge you for additional persons to attend the Initial Training Program. The Initial Training Program is offered nine times throughout the year, approximately once every six weeks, with sessions being conducted on an as needed basis. You may repeat the Initial Training Program at no additional charge upon request and subject to available space. You must pay for all travel and living expenses that you and all of your attendees incur in connection with the Initial Training Program.

We plan to provide the training listed in the table. We reserve the right to vary the length and content of the Initial Training Program based upon the experience and skill level of the individual attending the Initial Training Program.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Business Soft Skills	3	0	Our Headquarters (Carrollton, TX) and/or online
Financial Management	9.5	0	Our Headquarters (Carrollton, TX) and/or online
Sales and Business Development	4	0	Our Headquarters (Carrollton, TX) and/or online
Customer Service	1	0	Our Headquarters (Carrollton, TX) and/or online
In house IICRC certifications	35	0	Our Headquarters (Carrollton, TX) and/or online
Job Skills	4.5	8	Our Headquarters (Carrollton, TX) and/or online

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Operations	4	5	Our Headquarters (Carrollton, TX) and/or a Franchised Location and/or online
Equipment and Products	2	3	Our Headquarters (Carrollton, TX) and/or online
Commercial Sales and Marketing	2	0	Our Headquarters (Carrollton, TX) and/or online
Chemicals	1	2	Our Headquarters (Carrollton, TX) and/or a Franchised Location and/or online
Health and Safety	1	0	Our Headquarters (Carrollton, TX) and/or online
Wood Restoration and Electronic Restoration	1	0	Our Headquarters (Carrollton, TX) and/or online
Residential Sales	2	8	Our Headquarters (Carrollton, TX) and/or a Franchised Location and/or online
Fire and Water Marketing and Operations	4	5	Our Headquarters (Carrollton, TX) and/or a Franchised Location and/or online
Xactimate Introductory	3	2	Our Headquarters (Carrollton, TX) and/or a Franchised Location and/or online
Introduction to Business and Management Software and Online Systems or Applications	1	0	Our Headquarters (Carrollton, TX) and/or online
Software Training	1	0	Our Headquarters (Carrollton, TX) and/or online
Totals	79	33	

Notes:

1. The training subjects may vary, and the training may be less than the times indicated above, depending on the number and experience of the attendees. The instructional materials include our

Online Support Manual, written and audio-visual materials, and computer training materials for training on software and online systems or applications.

2. Frank Van Zant, our Director of Training and Education, will supervise the Initial Training Program. Mr. Van Zant has been with SL for four years, and with our predecessor for 27 years. He brings approximately 30 years of experience in the industry. Our Vice President, Chad Rhoden will also provide training. He has over 30 years of experience in the property restoration industry and two years of experience with SL.

3. Other instructors will include experienced Steamatic managers and/or assistant managers who have more than five years of experience in the industry.

Ongoing Training

From time to time, we may require that you, or if you are an entity, your operating principal, designated managers, and other employees attend system-wide refresher or additional training courses. Some of these courses may be optional, while others may be required. We may charge a fee for these training courses. If you appoint a new designated manager, that person must attend and successfully complete our Steamatic Initial Training Program before assuming responsibility for the management of your Steamatic Business. If we conduct an inspection of your Steamatic Business and determine you are not operating in compliance with the Franchise Agreement, we may require that you attend remedial training that addresses your operational deficiencies at your expense.

You may be required to host up to four additional continuing education training sessions in order to qualify for some of our programs. We will not charge an additional training fee to the hosting franchisee.

In addition to participating in ongoing training, you and/or your designated manager must attend any mandatory regional or national seminar at the location we designate. You will be required to pay our then-current convention fee whether or not you attend the mandatory meeting (See Item 6). You are responsible for all travel and expenses for you, your designated manager and your attendees.

ITEM 12
TERRITORY

The Franchise Agreement for your Steamatic Franchise grants you a designated protected territory ("Territory") based on the geographic area and population properties within that area and other relevant characteristics. We will grant only one Franchise for any area with a population of up to approximately 400,000 individuals. Generally, we grant Franchises with Territories with populations ranging from 250,000 to 400,000; however, we may grant Franchises with less than 250,000 in rural areas or other sparsely populated territory. We determine Territory population using numbers derived from the current United States Census report and supplemented with other information and statistical sources of our choosing. The geographic size of your Territory will vary based on the population size and density of your Territory. Your Territory will be identified in an attachment to your Franchise Agreement. The Territory may be defined by city or county limits, zip code areas, street boundaries or other geographic boundaries. We may open up company or affiliate owned Steamatic Businesses in your Territory. 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.

If you renew your Steamatic Franchise, your Territory may be modified depending on the then-current demographics of the Territory, and on our then-current standards for territories. Except as described

below, there are no circumstances that permit us to modify your Territory or your territorial rights during the term of the Franchise Agreement.

You are prohibited from directly marketing to or soliciting customers whose principal residence is outside of your Territory. You may only sell products and provide services to customers located outside of your Territory if: (a) there is no other franchisee in that area; (b) the customer initiates the contact with you; (c) you receive our express written consent; and (d) you follow any off-site policies and procedures in our Online Support Manual. If a previously unassigned area where you provided services is sold to a franchisee, you will no longer be able to service any customers (including existing customers) located within the franchisee's territory. If another Steamatic franchisee refers a job to you to perform Steamatic Services in your Territory, you must pay a referral fee to that franchisee equal to 5% of the Gross Revenue derived from that job.

You must not use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales outside of your Territory. Territory infringement occurs when a franchisee generates income from a customer by receiving payment for products and/or services provided and/or rendered within the territory of another Steamatic Business franchisee without first obtaining that franchisee's and our written permission. A franchisee who infringes upon other franchisee's territories is subject to the fines listed below, payable to us within five days after the infringement(s) are proven. The collected fine amounts shall become the property of SL. Any distribution of the fine funds shall be at the sole discretion of SL:

First Violation	$1,000, plus the invoice amount for the services performed
Second Violation and Additional Violations	$5,000, plus the invoice amount for the services performed

The total violations count is cumulative regardless of where and when the violations occur and whether you are in your initial or a successor term.

We and our affiliates (if any) have the right to operate, and to license others to operate, Steamatic Businesses at any location outside the Territory, even if doing so will or might affect the operation of your Steamatic Business. We retain all rights not expressly granted to you. These include the right:

1. to own, franchise or operate Steamatic Businesses at any location outside of the Territory, regardless of the proximity to your Steamatic Business;

2. to locate a regional office or warehouse in your Territory;

3. to use the Marks and the System to sell any products or services similar to those which you will sell through any alternate channels of distribution within or outside of the Territory. This includes, but is not limited to, other channels of distribution such as television, catalog sales, wholesale to unrelated retail outlets or over the Internet. We exclusively reserve the Internet as a channel of distribution for us, and you may not independently market on the Internet or conduct e-commerce;

4. to offer and sell products under the Marks or any other marks through retail locations within or outside of the Territory;

5. to use and license the use of other proprietary and non-proprietary marks or methods which are not the same as or confusingly similar to the Marks, whether in alternative channels of distribution or in the operation of a business providing catastrophe restoration and cleaning services and related products

and services at any location, including within the Territory, which may be similar to or different from the Steamatic Business operated by you;

6. to engage in any transaction, including to purchase or be purchased by, to merge or combine with, to convert to the System or be converted into a new system with any business, whether franchised or corporately-owned, including a business that competes directly with your Steamatic Business or that offers services and products similar to those offered by Steamatic Businesses, whether located inside or outside of the Territory; provided that in such situations, the newly-acquired businesses may not operate under the Marks in your Territory;

7. to service National Customers (defined below) within a territory, or allow other Steamatic franchises or third parties to service National Customers;

8. to implement multi-area marketing programs which may allow us or others to solicit or sell to customers anywhere. We also reserve the right to issue mandatory policies to coordinate such multi-area marketing programs;

9. to grant additional limited, non-exclusive franchises to third parties to use the Steamatic Marks and System in connection with the performance of Steamatic Services in your Territory for any Steamatic Services which either are not currently licensed in the Territory or are not being adequately utilized by you. A service category under the particular Steamatic Services you will be licensed to perform will be considered to be under-utilized in the event the portion of Gross Revenue as reported by you for that service category is less than 10% of your total Gross Revenue for any calendar year;

10. to perform Limited Steamatic Services (defined below) in your Territory as described below;

11. to use and license the use of technology to non-franchisee locations inside and outside the Territory;

12. to develop other concepts, applications and methods of delivering Steamatic services or additional services to the marketplace, some of which may be provided under the Marks or under different marks. We are not required to offer you these services and may charge you a fee if you wish to offer for such concepts, applications, methods and services in our sole discretion; and

13. to engage in any other business activities not expressly prohibited by the Franchise Agreement, both within and outside your Territory.

Although we reserve the rights described, neither we nor any affiliate, operates, franchises or has plans to operate or franchise a business under a different trademark that sells or will sell goods or services similar to those offered by you or our other Franchises.

If we determine, in our sole discretion, that a community-wide event, other large-scale single loss and/or catastrophe event within the Territory requires services exceeding your physical and financial capabilities or that you lack a requirement of qualification for a NCAP or required licenses, then we, or other franchises, affiliated companies or specially-trained and equipped Special Contractors, may perform the requested work ("Limited Steamatic Services"). If we or one of our Special Contractors performs a job referred by you in your Territory, we will pay you a referral fee based on a percentage of Gross Revenue (less any non-reimbursable costs such as freight, transportation, and room and board) received from that referral to the extent the job is within the Steamatic Services covered by your Franchise. The percentage used to calculate the referral fee will vary, as determined from time to time by us, according to the range of

the total dollar amount of the job and the extent to which revenue is derived from services performed in your Territory. Currently, the referral fee is calculated starting with 10% of the first $50,000 and declining to 1% for amounts over $200,000. We reserve the right to change these percentages, but the change will not affect any jobs signed prior to the change. If we perform all or part of the Limited Steamatic Services, we will pay referral fees within 30 days after we receive full payment for all services rendered. Any referral fee which may be negotiated with a Special Contractor who does all or part of the work may be made payable to us, but we will forward the payment to you within 30 days after our receipt of the full payment. All referral fees that are payable to you will be net of any administrative costs incurred by us and any amounts you owe to us.

Except as stated, we are not required to pay you if we exercise any of the rights specified above within your Territory. We do not pay compensation for soliciting or accepting orders inside your Territory. The continuation of the Territory is dependent upon your achievement of a certain sales volume, market penetration or other contingency, except as described below.

We may develop other concepts, applications and methods of delivering Steamatic Services or additional services to the marketplace, some of which may be provided under the Steamatic Marks or under different marks. We are not required to offer you these services and may charge you a fee for these services.

If you wish to purchase an additional Steamatic Franchise, you must apply to us, and we may, at our discretion, offer an additional Steamatic Franchise to you. We consider a variety of factors when determining whether to grant additional Steamatic Franchises. Among the factors we consider, in addition to the then-current requirements for new Steamatic franchisees, are whether the franchisee is in compliance with the requirements under their current Franchise Agreement. You do not receive the right to acquire additional Steamatic Franchises within the Territory. You are not given a right of first refusal on the sale of existing Steamatic Franchises.

Performance Criteria

We will evaluate your Steamatic Business for the development of your Territory and active implementation of the System based on certain performance criteria ("Performance Criteria"). At the end of your second full year of operation, we will evaluate your annual Gross Revenue to determine whether your year-over-year growth in Gross Revenue is equal to at least an amount equal to the percentage increase in the cost of living as measured by the Consumer Price Index for All Urban Consumers ("Price Index"). If you fail to meet the Performance Criteria, you will become subject to a six-month probationary period. During the probationary period, we may: (a) require you and other employees we determine to attend additional training programs; or (b) provide on-site assistance and consultation at your expense. If we provide any additional training, assistance or consultation, you must cover all costs and expenses for such training assistance or consultation.

Other than the above Performance Criteria, no other circumstances permit us to modify your territorial rights during the term of the Franchise Agreement.

National Customer Accounts

We have a National Customer Accounts Program to provide Steamatic services to national customers. We currently define a "National Customer" as any property owner, manager or agent of an owner that: (i) owns, controls, manages or remodels properties located in more than one Steamatic Franchise territory; or (ii) is in any customer category targeted by SL. Targeted National Customer categories include: nationally branded hotels; hospitals and healthcare facilities; colleges and universities; K-12 school districts; federal, state and local government; third-party administrators and insurers; and

military installations and housing.

Under our NCAP, we may service or designate ourselves or other franchisees to service National Customers in your Territory. Our Online Support Manual contains the NCAP policies, which may be changed over the term of your Franchise Agreement. If you qualify to participate in the NCAP, you must sign the "Addendum to Franchise Agreement for National Customer Account Participation" attached to this Franchise Disclosure Document in Exhibit H.

ITEM 13
TRADEMARKS

The Franchise Agreement and your payment of Royalties grant you the non-exclusive right and license to use the System, which includes the use of the Marks listed below. We have registrations with the United States Patent and Trademark Office ("USPTO") for the following Marks:

Registered Mark	Registration Number	Registration Date	Register
STEAMATIC	878,142	October 7, 1969	Principal Register
STEAMATIC	876,236	September 2, 1969	Principal Register
STEAMATIC. THE SOLUTION TO INDOOR AIR POLLUTION	1,792,207	September 7, 1993	Principal Register
	3,391,478	March 4, 2008	Principal
	5,615,464	November 27, 2018	Principal
DELIVERING SOLUTIONS	2,951,507	May 17, 2005	Principal
STEAMATIC BUILDING AMERICA	6,404,507	June 29, 2021	Principal
STEAMATIC CONSTRUCTION AND RESTORATION	6,404,508	June 29, 2021	Principal

Registered Mark	Registration Number	Registration Date	Register
STEAMATIC Restoration | Construction | Cleaning	7,115,826	July 18, 2023	Principal

Steamatic, LLC has also applied to register the following trademark with the USPTO:

Mark	Serial Number	Filing Date	Status
STEAMATIC Water | Fire | Mold	97,929,821	May 10, 2023	Pending on the Principal Register

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

We claim common law rights in the following trademarks:

Mark	Serial No.	Filing Date	Status
STEAMATIC Restoration | Construction | Cleaning	N/A	N/A	Common Law
STEAMATIC Restoration | Construction | Cleaning	N/A	N/A	Common Law

Mark	Serial No.	Filing Date	Status
STEAMATIC Restoration | Construction | Cleaning	N/A	N/A	Common Law

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

There are no effective adverse material determinations of the USPTO, the Trademark Trial and Appeal Board, or the trademark administrator of any state or any court, and no pending infringement, opposition or cancellation proceedings or material litigation involving the Marks. All required affidavits and renewals have been filed.

No agreement significantly limits our right to use or license the Marks in any manner material to the Steamatic Franchise. We do license the Marks for master franchising in Canada, as described in Item 1. We do not know of any superior prior rights or infringing uses that could materially affect your use of the trademarks. You must follow our rules when using the Marks. You cannot use our name or Marks as part of a corporate name or with modifying words, designs or symbols unless you receive our prior written consent. You must indicate to the public in any contract, advertisement and with a conspicuous sign in your Steamatic Business that you are an independently-owned and operated licensed franchisee of SL. You may not use the Marks in the sale of unauthorized products or services, or in any manner we do not authorize. You may not use the Marks in any advertising for the transfer, sale or other disposition of the Steamatic Franchise, or any interest in the Steamatic Franchise. All rights and goodwill from the use of the Marks accrue to us.

We will defend you against any claim brought against you by a third party that your use of the Marks, consistent with the Franchise Agreement, infringes upon that party's intellectual property rights. We may require your assistance, but we will exclusively control any proceeding or litigation relating to our Marks. We have no obligation to pursue any infringing users of our Marks. If we learn of an infringing user, we will take the action appropriate, but we are not required to take any action if we do not feel it is warranted. You must notify us within three business days if you learn that any party is using the Marks or a trademark that is confusingly similar to the Marks. We have the sole discretion to take such action as we deem appropriate to exclusively control any litigation or administrative proceeding involving a trademark licensed by us to you.

If it becomes advisable at any time, in our sole discretion, for us and/or you to modify or discontinue using any Mark and/or use one or more additional or substitute trademarks or service marks, you must comply with our directions within a reasonable time after receiving notice. We will not reimburse you for your direct expenses of changing signage, for any loss of revenue or other indirect expenses due to any modified or discontinued Mark, or for your expenses of promoting a modified or substituted trademark or service mark. The Franchise Agreement does not provide you any additional rights if we require you to modify or discontinue use of any Mark.

You must not directly or indirectly contest our right to the Marks. We may acquire, develop and use additional marks not listed here, and may make those marks available for your use and for use by other franchisees.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

The information in the Online Support Manual is proprietary and is protected by copyright and other laws. The designs contained in the Marks, the layout of our advertising materials, the content and format of our products, and any other writings and recordings in print or electronic form are also protected by copyright and other laws. Although we have not applied for copyright registration for the Online Support Manual, our advertising materials, the content and format of our products or any other writings and recordings, we claim common law and federal copyrights in these items. We grant you the right to use this proprietary and copyrighted information ("Copyrighted Works") for the operation of your Steamatic Franchise, but such copyrights remain our sole property.

There are no effective determinations of the United States Copyright Office or any court regarding any Copyrighted Works of ours, nor are there any proceedings pending, nor are there any effective agreements between us and third parties pertaining to the Copyrighted Works that will or may significantly limit using our Copyrighted Works.

Our Online Support Manual, electronic information and communications, sales and promotional materials, the development and use of our System, standards, specifications, policies, procedures, information, concepts and systems on, knowledge of, and experience in the development, operation and franchising of Steamatic Franchises, our training materials and techniques, information concerning product and service sales, operating results, financial performance and other financial data of Steamatic Franchises and other related materials are proprietary and confidential ("Confidential Information") and are our property to be used by you only as described in the Franchise Agreement and the Online Support Manual. Where appropriate, certain information has also been identified as trade secrets ("Trade Secrets"). You must maintain the confidentiality of our Confidential Information and Trade Secrets and adopt reasonable procedures to prevent unauthorized disclosure of our Confidential Information and Trade Secrets. You must maintain the confidentiality of our Confidential Information and Trade Secrets and adopt reasonable procedures to prevent unauthorized disclosure of our Trade Secrets and Confidential Information.

We will disclose parts of the Confidential Information and Trade Secrets to you as we deem necessary or advisable for you to develop your Steamatic Franchise during training and in guidance and assistance furnished to you under the Franchise Agreement, and you may learn or obtain from us additional Confidential Information and Trade Secrets during the term of the Franchise Agreement. The Confidential Information and Trade Secrets are valuable assets of ours and are disclosed to you on the condition that you, and your owners if you are a business entity, and employees agree to maintain the information in confidence by entering into a confidentiality agreement we can enforce. Nothing in the Franchise Agreement will be construed to prohibit you from using the Confidential Information or Trade Secrets in the operation of other Steamatic Franchises during the term of the Franchise Agreement.

You must notify us immediately after you learn about another's use of language, a visual image, or a recording of any kind that you perceive to be identical or substantially similar to one of our Copyrighted Works or use of our Confidential Information or Trade Secrets, or if someone challenges your use of our Copyrighted Works, Confidential Information or Trade Secrets. We will take whatever action we deem appropriate, in our sole and absolute discretion, to protect our rights in and to the Copyrighted Works, Confidential Information or Trade Secrets, which may include payment of reasonable costs associated with the action. However, the Franchise Agreement does not require us to take affirmative action in response to

any apparent infringement of, or challenge to, your use of any Copyrighted Works, Confidential Information or Trade Secrets or claim by any person of any rights in any Copyrighted Works, Confidential Information or Trade Secrets. You must not directly or indirectly contest our rights to our Copyrighted Works, Confidential Information or Trade Secrets. You may not communicate with anyone except us, our counsel or our designees regarding any infringement, challenge, or claim. We will take action as we deem appropriate regarding any infringement, challenge or claim, and the sole right to control, exclusively, any litigation or other proceeding arising out of any infringement, challenge or claim under any Copyrighted Works, Confidential Information or Trade Secrets. You must sign any and all instruments and documents, give the assistance and do acts and things that may, in the opinion of our counsel, be necessary to protect and maintain our interests in any litigation or proceeding, or to protect and maintain our interests in the Copyrighted Works, Confidential Information or Trade Secrets.

No patents or patents pending are material to us at this time.

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

We require that you either directly operate your Steamatic Business or designate a manager ("Designated Manager") who has been approved by us. If you are not an individual, you must designate an "Operating Principal" acceptable to us who will be principally responsible for communicating with us about the Steamatic Business. The Operating Principal must have the authority and responsibility for the day-to-day operations of your Steamatic Business and must have at least 51% equity interest in the legal entity of the Franchise owner. You or your Operating Principal and your Designated Manager, if any, must successfully complete our training program (See Item 11). We may require that the Designated Manager have an ownership interest in the legal entity of the Franchise owner. If you replace your Operating Principal or Designated Manager, the new Operating Principal or Designated Manager must satisfactorily complete our training program at your own expense.

You must also obtain a background check of all employees who may be asked to enter into a customer's premises or deal with a customer of the Steamatic Business.

Any Designated Manager and, if you are an entity, an officer that does not own equity in the franchisee entity must sign the "System Protection Agreement," which is attached to this Franchise Disclosure Document in Exhibit H. All of your employees, independent contractors, agents or representatives that may have access to our Confidential Information must sign a "Confidentiality Agreement" (unless they already signed a System Protection Agreement), which is attached to this Franchise Disclosure Document in Exhibit H. If you are an entity, each direct and indirect owner (i.e., each person holding a direct or indirect ownership interest in you) must sign an "Franchise Owner Agreement" guarantying the obligations of the entity, which is attached to the Franchise Agreement as Attachment C. We also require that the spouses of the Franchise owners sign the Franchise Owner Agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must sell or offer for sale only those products and services authorized by us, and which meet our standards and specifications. This requires that you use equipment and cleaning products that meet our specifications. You may offer certain related construction and re-construction services either on your own or through subcontractors or other third parties if those services are necessary in connection with the completion of restoration and cleaning jobs and have been approved by us prior to their performance. See Item 6 regarding Royalties you must pay to us for construction and re-construction services. You must

follow our policies, procedures, methods and techniques. You must sell or offer for sale all types of products and services specified by us. We may change or add to our required products and services, at our discretion, with prior notice to you. If we change or add to our required products and services, the changes or additions will remain in permanent effect, unless we specify otherwise. The amount you must pay for the changes or additions will depend upon the nature and type of changes or additions. There are no limitations on our rights to make changes to the required products and services offered by you. You must discontinue selling and offering for sale any products and services that we disapprove. We reserve the right to establish minimum and maximum resale prices for use with multi-area marketing programs and special price promotions as allowed by law. You must keep your Steamatic Business open for the minimum hours and minimum days of operation as specified by our System Standards, which may change over the term of the Franchise Agreement. You must hire and supervise efficient, competent and courteous persons as your employees for the operation of your Steamatic Franchise. You must require all your employees to work in clean uniforms approved by us but furnished at your cost or the employees' cost as you may determine.

You may have the opportunity to participate in elective programs such as insurance company programs, third-party preferred service provider programs, third-party administrator programs and similar programs as we have developed, or may develop from time to time, which require franchisees to meet standards and requirements specific to those programs as a condition to participation. Any right, license or franchise granted with respect to any elective program is conditioned upon your compliance with the standards and requirements applicable to such program. If you fail to perform a job consistent with the program, or to timely accept a referral under a program, or if the program administrator for the program requires us to use a party other than you, then we may immediately refer the job or referral to any other Steamatic franchisee, Special Contractor, or third party (whether or not located in the Territory) and neither we, our Special Contractors, nor any other franchisee or third party shall owe any payment or obligation to you in connection with the job or referral.

If you qualify to participate in the NCAP, you must sign our then-current Addendum to Franchise Agreement for National Account Participation, the current form of which is attached to the Franchise Disclosure Document in Exhibit H.

Under our Limited Steamatic Services arrangement, certain large restoration or commercial jobs may be beyond your capabilities and you will need to refrain from undertaking those jobs. If we determine a restoration or job requires services exceeding your physical and financial capabilities or that you lack a requirement of qualification for a NCAP or required licenses, then we may require Special Contractors perform the requested work, and we may pay you a referral fee.

You may not sell any products or services outside of your Territory without our prior written consent, which we may withhold, condition or withdraw, in our sole discretion, at any time. You may not establish an account or participate in any social networking sites, crowdfunding campaigns or blogs or mention or discuss the Steamatic Franchise, us or our affiliates (if any) without our prior written consent and as subject to our online policy. Our online policy may completely prohibit you from any use of the Marks in social networking sites or other online use. You may not sell products through other channels of distribution such as wholesale, Internet or mail order sales.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

	Provision	Section in Franchise Agreement	Summary
a.	Length of the Franchise term	Section 1D	Ten years.
b.	Renewal or extension of the term	Section 14	If you are in good standing and you meet other requirements, you may enter into up to 3 five-year consecutive successor franchise agreements.
c.	Requirements for Franchisee to renew or extend	Section 14	The term "renewal" refers to extending our franchise relationship at the end of your initial term and any other renewal or extension of the initial term. Your successor franchise rights permit you to remain as a Franchisee after the initial term of your Franchise Agreement expires. You must sign our then-current franchise agreement and any ancillary documents for the successor term, and this new franchise agreement may have materially different terms and conditions (including, for example, higher Royalty and Brand Fund Contributions) from the Franchise Agreement that covered your initial term. You must be in full compliance on the date you notify us of your intention to renew, the date when the renewal is to go into effect and have been in substantial compliance during the Franchise Agreement's term. You must: (1) give us at least 90 days', but not more than 180 days' prior written notice of your intent to renew; (2) bring the Steamatic Business' operations into conformity with then-current System Standards; and (3) pay a renewal fee.
d.	Termination by Franchisee	Section 15A	You may terminate the Franchise Agreement if you are in compliance with it and we are in material breach and we fail to cure that breach within 30 days of receiving written notice, subject to applicable state law.
e.	Termination by franchisor without cause	Not applicable	Not applicable.
f.	Termination by franchisor with cause	Section 15B	We can terminate upon certain violations of the Franchise Agreement by you. We may terminate your participation in elective programs to the extent you fail to meet the program specifications without terminating your Steamatic Franchise.
g.	"Cause" defined – curable defaults	Section 15B	You have 30 days to cure the following defaults: (1) failure to commence Steamatic Business operations within 90 days after the effective date; (2) failure to

	Provision	Section in Franchise Agreement	Summary
			complete Initial Training Program to our satisfaction; (3) failure to pay taxes when due; (4) nonpayment of third-party financing; and (5) failure to comply with any other provision of the Franchise Agreement or any System Standard (other than as specified in (h) below). You have 10 days to cure your failure to pay us, our affiliates or any third-party vendors any amounts due. We may terminate your participation in an elective program for failure to meet program specifications without terminating your Steamatic Franchise. You will have 30 days to cure.
h.	"Cause" defined – non-curable defaults	Section 15B	Non-curable defaults include: (1) bankruptcy and similar events of insolvency; (2) material misrepresentation or omission in acquiring the Steamatic Franchise or operating the Steamatic Business; (3) abandonment; (4) conviction of, or no contest plea to, a felony or participation in any criminal misconduct relevant to the Steamatic Franchise; (5) dishonest or unethical conduct adversely affecting the Steamatic Franchise's reputation or the goodwill associated with the Marks; (6) violation of confidentiality, non-competition or transfer provisions; (7) acts of consumer fraud or unfair or deceptive trade practices; (8) unauthorized use of Confidential Information; (9) misuse or infringement of Marks; (10) failure to open for business on time; (11) failure to meet advertising requirements; (12) violation of health, safety or sanitation laws, ordinances or regulations or unsafe operation of the Steamatic Business; (13) repeated defaults; (14) breach of any other agreement with us or any affiliate without cure; (15) violation of in-term covenant not to compete; (16) failure of sales to increase by increase in the Price Index for two consecutive years, after 6-month probationary period; (17) for any other provision of the Franchise Agreement or any System Standard listed in the Franchise Agreement under Section 15B.
i.	Franchisee's obligations on termination/non-renewal	Section 16	Obligations include: (1) payment of outstanding amounts; (2) complete de-identification; (3) notifying telephone company and telephone directory publishers of the termination of your right to use any numbers associated with the Marks and authorizing the transfer or forwarding of the numbers and directory listings at our direction; (4) allowing us to make final inspection of books and records; (5) cease using and return to us, Online Support Manual, all Confidential Information, Trade Secrets and records (also see (r) below).

	Provision	Section in Franchise Agreement	Summary
j.	Assignment of contract by franchisor	Section 13A	No restriction on our right to assign.
k.	"Transfer" by Franchisee – defined	Section 13B	Includes any voluntary, involuntary, direct or indirect assignment, sale, gift, exchange, grant of a security interest or change of ownership in the Franchise Agreement, the Steamatic Franchise or interest in the Franchise.
l.	Franchisor approval of transfer by Franchisee	Section 13B	We have the right to approve all transfers.
m.	Conditions for franchisor approval of transfer	Section 13C	If you are in good standing and meet other requirements listed in Section 13C, we may approve your transfer to a new owner.
n.	Franchisor's right of first refusal to acquire Franchisee's business	Section 13G	We have 30 days to match any offer for your Steamatic Business.
o.	Franchisor's option to purchase Franchisee's business	Section 16E	We may, but are not required to, purchase your Steamatic Franchise, inventory or equipment at fair market value if your Franchise is terminated for any reason.
p.	Death or disability of Franchisee	Section 13E	Upon your or the Operating Principal's death or disability, your or the Operating Principal's personal representative may continue operating the Steamatic Business as the franchisee if: (1) they obtain our prior written approval within 45 days after death or disability; (2) they sign our then-current franchise agreement or guaranty; and (3) they satisfactorily complete our Initial Training Program.
q.	Non-competition covenants during the term of the Franchise	Section 8	Neither you, any of your owners, nor any of your or your owners' spouses or other immediate family members may: (1) participate in a competitive business, have an owning interest in a competitive business, or perform services for a competitive business located anywhere; (2) divert or attempt to divert business; or (3) not engage in any activity which may injure the goodwill of the Marks and/or the Franchise System. You may not interfere with our or our other franchisees' Steamatic Franchises. All subject to applicable state law.
r.	Non-competition covenants after the Franchise is terminated or expires	Sections 13C and 16D	Neither you, any of your owners, nor any of your or your owners' spouses or other immediate family members may: have an interest in, own, manage, operate, finance, control or participate in any competitive business within: (i) a 25-mile radius of the Steamatic Franchise (including the premises of your approved location); or (ii) a 25-mile radius from all other Steamatic Businesses that are operating or under development, for two years. If you or your Operating Principal engages in any activities prohibited by the Franchise Agreement during the restricted period, then the restricted period applicable to you or the non-compliant Operating Principal shall be extended by the period

	Provision	Section in Franchise Agreement	Summary
			of time during which you or the non-compliant Operating Principal, as applicable, engaged in the prohibited activities, subject to applicable state law.
s.	Modification of the agreement	Sections 18K and 18M	No modifications of the Franchise Agreement during the term unless agreed to in writing, but the Online Support Manual and System Standards are subject to change at any time in our discretion. Modifications are permitted on renewal.
t.	Integration/merger clause	Section 18M	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of this Franchise Disclosure Document and Franchise Agreement may not be enforceable. Notwithstanding the foregoing, nothing in the Franchise Agreement or in any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document.
u.	Dispute resolution by arbitration or mediation	Sections 18F and 18G	Except for certain claims, all disputes must be mediated and arbitrated in the principal city closest to our principal place of business (currently Dallas, Texas), subject to applicable state law.
v.	Choice of forum	Section 18H	All disputes must be mediated, arbitrated, and if applicable, litigated in the principal city closest to our principal place of business (currently Dallas, Texas), subject to applicable state law.
w.	Choice of law	Section 18G	Texas law applies, subject to applicable state law.

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 franchisor's management by contacting Brent Adamczyk at 4320 Marsh Ridge Rd, Suite 190, Carrollton,

TX 75010 and (817) 332-1575, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

System-wide Outlet Summary
For Years 2021 - 2023

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	41	41	0
	2022	41	41	0
	2023	41	41	0
Company-Owned*	2021	1	1	0
	2022	1	1	0
	2023	1	3	+2
Total Outlets	2021	42	42	0
	2022	42	42	0
	2023	42	44	+2

*These outlets are owned by our affiliates.

Table No. 2

Transfers of Franchised Outlets to New Owners
(other than the Franchisor)
For Years 2021 – 2023

State	Year	Number of Transfers
Illinois	2021	0
	2022	0
	2023	1
Totals	2021	0
	2022	0
	2023	1

Table No. 3

Status of Franchised Outlets
For Years 2021 – 2023

State	Year	Outlets at Start of the Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Opera-tions-Other Reasons	Outlets at End of the Year
Arizona	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Arkansas	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
California	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
Colorado	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Connecticut	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Florida	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Georgia	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Illinois	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Indiana	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Iowa	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1

State	Year	Outlets at Start of the Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Opera-tions-Other Reasons	Outlets at End of the Year
Kansas	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Louisiana	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Maine	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Minnesota	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Missouri	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Nebraska	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Nevada	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
New Mexico	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
North Dakota	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Oklahoma	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Pennsylvania	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	1	0

State	Year	Outlets at Start of the Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Opera-tions-Other Reasons	Outlets at End of the Year
South Carolina	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Texas	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
Utah	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Virginia	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
Wisconsin	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Total	2021	41	0	0	0	0	0	41
	2022	41	0	0	0	0	0	41
	2023	41	1	0	0	0	1	41

Table No. 4

Status of Company-Owned Outlets
For Years 2021 – 2023

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Tennessee	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
Texas	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	2	0	0	0	2
Total Outlets*	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	2	0	0	0	3

*These outlets are owned by our affiliates.

Table No. 5

Projected Openings as of
December 31, 2023

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
California	1	0	0
Total	1	0	0

The names, addresses and telephone numbers of our current franchisees are attached to this Franchise Disclosure Document as Exhibit D. The name and last known address and telephone number of every current franchisee and every franchisee who has had a Steamatic Franchise terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under our franchise agreement during the one-year period ending December 31, 2023, or who has not communicated with us within ten weeks of the Issuance Date of this Franchise Disclosure Document is listed in Exhibit D. In some instances, current and former franchisees may sign provisions restricting their ability to speak openly about their experience with the Steamatic Franchise System. During the last three fiscal years, certain franchisees have signed confidentiality provisions that would restrict their ability to speak openly about their experience with the Steamatic franchise system. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you. If you buy a Steamatic Franchise, your contact information may be disclosed to other buyers when you leave the Franchise System.

As of the Issuance Date of this Franchise Disclosure Document, there are no franchise organizations sponsored or endorsed by us and no independent franchisee organizations have asked to be included in this Franchise Disclosure Document. We do not have any trademark specific franchisee organizations.

ITEM 21
FINANCIAL STATEMENTS

Exhibit B contains the financial statements required to be included with this Franchise Disclosure Document: unaudited financial statements as of April 30, 2024, audited financial statements as of December 31, 2023, December 31, 2022 and December 31, 2021. Our fiscal year end is December 31.

ITEM 22
CONTRACTS

The following exhibits contain proposed agreements regarding the Franchise:

Exhibit C	Franchise Agreement
Exhibit E	State Addenda and Agreement Riders
Exhibit G	Franchise Disclosure Questionnaire
Exhibit H	Contracts for use with the Steamatic Franchise

ITEM 23
RECEIPTS

The last pages of this Franchise Disclosure Document, Exhibit J, are a detachable document, in duplicate. Please detach, sign, date and return one copy of the Receipt to us, acknowledging that you received this Franchise Disclosure Document. Please keep the second copy for your records.

EXHIBIT A

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

CALIFORNIA
State Administrator and Agent for Service of Process:

Commissioner
Department of Financial Protection and Innovation
320 W. 4th Street, #750
Los Angeles, CA 90013
(213) 576-7500
(866) 275-2677

HAWAII
Commissioner of Securities of the State of Hawaii
335 Merchant Street, Room 203
Honolulu, HI 96813
(808) 586-2722

Agent 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, HI 96813
(808) 586-2722

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

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

MARYLAND
Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202
(410) 576-6360

MARYLAND CONTINUED
Agent for Service of Process:

Maryland Securities Commissioner
200 St. Paul Place
Baltimore, MD 21202-2020

MICHIGAN
Michigan Department of Attorney General
Consumer Protection Division
525 W. Ottawa Street
Lansing, MI 48913
(517) 373-7117

MINNESOTA
Department of Commerce
Commissioner of Commerce
85 Seventh Place East, Suite 280
St. Paul, MN 55101-3165
(651) 539-1600

NEW YORK
Administrator:

NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
(212) 416-8222

Agent for Service of Process:

Secretary of State
99 Washington Avenue
Albany, NY 12231

NORTH DAKOTA
Administrator:

North Dakota Securities Department
600 East Boulevard Avenue
State Capitol, Fourteenth Floor, Dept. 414
Bismarck, ND 58505-0510
(701) 328-4712

Agent for Service of Process:

Securities Commissioner
600 East Boulevard Avenue
State Capitol, Fourteenth Floor, Dept. 414
Bismarck, ND 58505-0510

RHODE ISLAND
Department of Business Regulation
1511 Pontiac Avenue, Bldg. 68-2
Cranston, RI 02920
(401) 462-9527

SOUTH DAKOTA
Division of Insurance
Securities Regulation
124 South Euclid, Suite 104
Pierre, SD 57501
(605) 773-3563

VIRGINIA
State Corporation Commission
Division of Securities and Retail Franchising
1300 E. Main Street, 9th Floor
Richmond, VA 23219

Agent for Service of Process:

Clerk of the State Corporation Commission
1300 E. Main Street, 1st Floor
Richmond, VA 23219

WASHINGTON
State Administrator:

Washington Department of Financial Institutions
Securities Division
P.O. Box 41200
Olympia, WA 98504-1200
(360) 902-8760

Agent for Service for Process:

Director of Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, WA 98501

WISCONSIN
Department of Financial Institutions
Division of Securities
201 W. Washington Avenue
Madison, WI 53703
(608) 266-3364

Rev. 090723

EXHIBIT B

FINANCIAL STATEMENTS

UNAUDITED FINANCIALS

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

Steamatic, LLC

Balance Sheet

As of April 30, 2024

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
1010000 PNC Operating Account	216,090.60
1020000 LLC Operating Account	37,064.80
1020100 * Cash in Bank - Frost	0.00
1020101 Bill Sims Debtors	-416.52
1020200 Deferred tax assets	48,683.00
Total Bank Accounts	**$301,421.88**
Accounts Receivable	
1210100 * Accounts Rec-Trade	354,583.09
Total Accounts Receivable	**$354,583.09**
Other Current Assets	
1109000 A/P and A/R Clearing	0.00
1150000 Conversion Clearing	0.00
1200000 * Undeposited Funds	1,255.31
1210500 Accrued Acct Rec	110,000.00
1290100 Allow For Doubtful Accts	-157,864.58
1510100 Prepaid Insurance	9,510.03
1510108 Accrued Acct Payable	0.00
1510130 Prepaid Asset	0.00
1510190 Prepaid Expenses-Other	10,831.68
1610000 Inventory Asset	54,076.18
1620000 SUNDRY DEBTOR ACCOUNT	31,103.87
1630000 Uncategorized Asset	0.00
Total Other Current Assets	**$58,912.49**
Total Current Assets	**$714,917.46**

Steamatic, LLC

Profit and Loss

January - April, 2024

	TOTAL
Income	
Discounts/Refunds Given	233.33
Sales	22,586.00
3390100 Discounts & Allowances	0.81
E-Store Sales	517.01
Total Sales	**23,103.82**
Sales - Other	
3051000 Domestic Territory Fee	84,000.00
Total Sales - Other	**84,000.00**
Sales - Royalties	
3040200 % Contract Royalties	
3040211 Carpet Furniture Drapery	31,819.27
3040212 Air Duct Cleaning	48,208.95
3040213 Fire Restoration	54,612.73
3040214 Water Restoration	134,235.95
3040215 Other Cleaning Services	24,026.45
3040216 Hard Surface Cleaning	3,210.56
3040217 Mold	17,770.70
3040218 Subcontract and Product Rev	3,960.16
3040220 Construction	30,305.18
Total 3040200 % Contract Royalties	**348,149.95**
3040300 Old Contract Royalties	11,763.66
3041200 International Royalties	50,493.69
Total Sales - Royalties	**410,407.30**
Warehouse Sales	
3030205 Sales - Freight	-250.33
Sales -inventory	152,964.92
Total Warehouse Sales	**152,714.59**
Total Income	**$670,459.04**
Cost of Goods Sold	
50000 Cost of Goods Sold	59,555.52
Cost of Sales	
4030200 Cost of Sales-Inventory	78,451.47
4030400 Cost of Sales- Freight	3,223.05
4030402 Commissions	69,000.00
Total Cost of Sales	**150,674.52**
Inventory Shrinkage	-92.00
Total Cost of Goods Sold	**$210,138.04**
GROSS PROFIT	**$460,321.00**
Expenses	
5000000 Customer Connect Expenses	0.00

Steamatic, LLC

Profit and Loss

January - April, 2024

	TOTAL
5052600 Bad Debts	25,000.00
5052700 Bank Serv. Chrg/Finance Chrg	1,619.32
5052850 Call Center	302.40
5052900 Credit Card Fees	1,798.66
5053400 Dues & Subscriptions	3,787.32
5054200 Janitorial	806.89
5054300 Continued Education	723.75
5054400 Shipping Supplies/Packaging	35.90
5054550 Employee Training	19.99
5054600 Freight & Postage	1,473.77
5054900 Franchise Dev & Service	64,207.68
5054901 Franchise Dev & Service - FEP retainer	2,221.64
5055100 Insurance-Prop/Auto/Group	6,883.84
5055050 Cigna - Health/Dental/Vision	4,710.11
5055055 New York Life	1,446.37
5055100.01 Medical Pre-Tax	-391.20
5055101 EPLI - Liberty Mutual	-3,063.69
5055102 Professional Liability - CNA	3.00
5055107 Workers Comp	84.91
5055109 Wex Health	88.25
5055200 HSA Clearing Account	-294.20
Total 5055100 Insurance-Prop/Auto/Group	**9,467.39**
5055400 Office Supplies	362.58
5055600 Legal Expense	20,039.68
5055701 Accounting expenses	10,650.00
5055705 State Privledge Tax	-50.00
5055800 Uniforms	1,228.47
5055900 Late Fees/Penalty	1,499.00
5056350 Lease/Property	41,955.26
5056355 Rent - 4320 Marsh	8,901.31
Total 5056350 Lease/Property	**50,856.57**
5057000 Telephone	1,584.09
5057100 Utilities	2,612.99
5057200 Shop Supplies	2,014.28
5057400 Travel & Lodging	972.72
5057450 Staff amenities	606.89
5057600 Training - Franchise	3,152.46
5057650 Training Facility Consumables	3,475.15
5058100 Trade Shows/Meetings	8,780.85
5058200 Marketing	12,574.91
5059000 Software / Operating System	18,645.85

Steamatic, LLC

Profit and Loss

January - April, 2024

	TOTAL
6600 Payroll Expenses	
6600.01 Taxes- Payroll	10,255.85
6600.02 Wages	104,748.87
Total 6600 Payroll Expenses	**115,004.72**
8550 Shared Services	
8551 Shared Services	15,856.14
8552 Shared Services Depreciation	231.80
8554 Shared Services Interest Allocation	-2,662.13
8555 Working Capital Interest	12,834.00
Total 8550 Shared Services	**26,259.81**
Auto and Truck Expense	125.00
5052300 Auto & Truck Gas & Oil	792.70
Total Auto and Truck Expense	**917.70**
Office Expenses	68.98
Steamatic Annual Convention	0.00
Taxes	
5056700 Taxes-State	7,074.38
5056701 Taxes - Franchise	-250.00
Total Taxes	**6,824.38**
Total Expenses	**$399,546.79**
NET OPERATING INCOME	**$60,774.21**
Other Expenses	
5053101 Depreciation - LI	3,120.56
5053102 Depreciation - F & F	5,208.35
5053103 Depreciation - Equipment	11,824.82
5053104 Depreciation - Computers	4,381.49
Total Other Expenses	**$24,535.22**
NET OTHER INCOME	**$ -24,535.22**
NET INCOME	**$36,238.99**

Steamatic, LLC

Balance Sheet

As of April 30, 2024

	TOTAL
Fixed Assets	
1650000 New Building Sign	0.00
1650010 Provn Depn. Sign	0.00
1651000 Lease Hold Improvements	46,808.70
1651010 Provn Depn - Lease Hold	-9,260.42
1652000 Computers-Software	60,608.70
1652010 Provn Depn -Computers	-48,875.02
1653000 Vehicles	0.00
1653010 Provn Depn - Vehicles	0.00
1654000 Furniture and Fixtures	31,180.38
1654010 Provn Depn - F & F	-17,126.89
1655000 Equipment	186,095.89
1655010 Provn Depn - Equipment	-45,377.80
Total Fixed Assets	**$204,053.54**
Other Assets	
1759000 GFW- Due To/From	0.00
1259001 GFW Clearing Account	0.00
Total 1759000 GFW- Due To/From	**0.00**
1800000 Brandname	2,204,516.00
1801000 Goodwill	561,620.00
Total Other Assets	**$2,766,136.00**
TOTAL ASSETS	**$3,685,107.00**
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000000 * Accounts Payable	10,634.88
Total Accounts Payable	**$10,634.88**
Credit Cards	
2023000 PNC Credit Card	0.00
20230010 Texas Capital Credit Card	0.00
20230020 TCB Interim Credit Card	0.00
Total Credit Cards	**$0.00**

Steamatic, LLC

Balance Sheet

As of April 30, 2024

	TOTAL
Other Current Liabilities	
2111000 Accrued Rent	0.00
2280101 Accrued Property Tax	2,650.00
2300000 Accrued Marketing	0.00
2300001 Accrued expenses - other	97,516.77
2300002 Leasehold incentive	19,330.04
2300003 Accrued Insurance	-3,180.00
2400000 Accrued Payroll Tax	0.00
2400010 Payroll Liabilities	0.00
2500000 Unrecognized Revenue	5,419.98
2550000 Sales Tax Payable	0.00
Alabama Department of Revenue Payable	0.00
Arkansas Department of Finance and Administration Payable	0.00
California Department of Tax and Fee Administration Payable	8.08
Connecticut Department of Revenue Services Payable	0.00
Florida Department of Revenue Payable	0.00
Georgia Department of Revenue Payable	0.00
Illinois Department of Revenue Payable	0.00
Indiana Department of Revenue Payable	0.00
Iowa Department of Revenue Payable	0.00
Kansas Department of Revenue Payable	0.00
Louisiana Department of Revenue Payable	0.00
Maine Department of Revenue Payable	0.00
Michigan Department of Treasury Payable	0.00
Minnesota Department of Revenue Payable	0.00
Nebraska Department of Revenue Payable	0.00
Nevada Department of Taxation Payable	0.00
North Dakota Department of Revenue Payable	0.00
Oklahoma Department of Revenue Payable	0.00
Out Of Scope Agency Payable	0.00
Pennsylvania Department of Revenue Payable	0.00
Sales Tax Agency Payable	0.00
South Carolina Department of Revenue Payable	0.00
STATE OF ALABAMA DEPT. OF REVENUE Payable	0.00
STATE OF ARIZONA Payable	0.00
STATE OF ARKANSAS Payable	0.00
STATE OF CALIFORNIA Payable	0.00
STATE OF COLORADO Payable	0.00
STATE OF COLORADO, CO SPRINGS Payable	0.00
STATE OF CONNECTICUT Payable	0.00
STATE OF FLORIDA Payable	425.53
STATE OF GEORGIA Payable	0.00
STATE OF ILLINOIS Payable	0.00

Steamatic, LLC

Balance Sheet

As of April 30, 2024

	TOTAL
STATE OF INDIANA Payable	0.00
STATE OF IOWA Payable	0.00
STATE OF KANSAS Payable	0.00
STATE OF KENTUCKY Payable	0.00
STATE OF LOUISIANA - CADDO PARISH Payable	0.00
STATE OF LOUISIANA BATON ROUGE Payable	0.00
STATE OF LOUISIANA CALCASIEU PARISH Payable	0.00
STATE OF LOUISIANA Payable	0.00
STATE OF LOUISIANA, BOSSIER CITY Payable	0.00
STATE OF LOUISIANA, JEFFERSON PARISH Payable	0.00
STATE OF LOUISIANA, LAFAYETTE Payable	0.00
STATE OF LOUISIANA, RAPIDES PARISH Payable	0.00
STATE OF MAINE Payable	0.00
STATE OF MICHIGAN Payable	0.00
STATE OF MINNESOTA DEPARTMENT OF REV. Payable	0.00
STATE OF MISSOURI Payable	0.00
STATE OF NEBRASKA Payable	0.00
STATE OF NEVEDA Payable	0.00
STATE OF NEW JERSEY-TGI Payable	0.00
STATE OF NEW MEXICO Payable	0.00
STATE OF NORTH CAROLINA Payable	0.00
STATE OF NORTH DAKOTA Payable	0.00
STATE OF OHIO Payable	0.00
STATE OF OKLAHOMA Payable	0.00
STATE OF PENNSYLVANIA Payable	74.87
STATE OF RHODE ISLAND Payable	0.00
STATE OF SOUTH CAROLINA Payable	0.00
STATE OF TENNESSEE Payable	0.00
STATE OF TEXAS COMPTROLLER Payable	12,477.40
STATE OF UTAH Payable	0.00
STATE OF VIRGINIA Payable	0.00
STATE OF W VIRGINIA Payable	0.00
STATE OF WASHINGTON Payable	0.00
STATE OF WISCONSIN Payable	0.00
Tennessee Department of Revenue Payable	0.00
TEXAS COMPTROLLER OF PUBLIC ACCOUNT Payable	0.00
Virginia Department of Taxation Payable	6.30
Wisconsin Department of Revenue Payable	0.00
Total 2550000 Sales Tax Payable	**12,992.18**
7033250 Program Income -GHRN	0.00
7033255 Pass Through Clearing	0.00
8000000 Customer Connect	-356,070.94
8010000 Current tax liability	-130,664.00

Steamatic, LLC

Balance Sheet

As of April 30, 2024

	TOTAL
Total Other Current Liabilities	**$ -352,005.97**
Total Current Liabilities	**$ -341,371.09**
Long-Term Liabilities	
2410100 Notes Payable - LT	0.00
2601000 Loan - JLIH	-411,605.95
2602000 Loan - Steamatic Nashville	-1,053,610.40
2603000 Loan - Steamatic of Nashville Real Property Holdings, LLC	-558.83
2604000 Loan - Steamatic of North Texas	-334,195.22
2605000 Loan - Johns Lyng Group	3,264,061.39
2606000 Loan - Reconstruction Experts	1,503,082.76
2607000 Loan - Steamatic of Northwest Houston	-124,937.80
2608050 Loan - JL Customer Connect	-295,737.31
Total Long-Term Liabilities	**$2,546,498.64**
Total Liabilities	**$2,205,127.55**
Equity	
2820100 Capital Stock	0.00
2820200 Add'l Paid In Capital	0.00
2820500 Owner Contributions	4,299,999.98
2820800 Distributions	0.00
2820900 Retained Earnings	-2,848,973.85
2821500 Treasury Stock	0.00
2830000 Owner Distributions	0.00
3000000 Opening Bal Equity	0.00
Net Income	28,953.32
Total Equity	**$1,479,979.45**
TOTAL LIABILITIES AND EQUITY	**$3,685,107.00**

STEAMATIC, LLC

FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2023, 2022, AND 2021

KEZOS & DUNLAVY
Certified Public Accountants
& Business Advisors

STEAMATIC, LLC

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KEZOS & DUNLAVY
Certified Public Accountants
& Business Advisors

Independent Auditor's Report

To the Member
Steamatic, LLC
Dallas, Texas

Opinion

We have audited the accompanying financial statements of Steamatic, LLC, which comprise the balance sheets as of December 31, 2023, 2022, and 2021, and the related statements of operations, member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Steamatic, LLC as of December 31, 2023, 2022, and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 8 to the financial statements, the Company has suffered recurring losses from operations and has a net working capital deficiency. The Company's owners have the ability to provide additional capital and intend to do so, if required. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the

override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Restrictions on Use

The use of this report is restricted to inclusion within the Company's Franchise Disclosure Document (FDD) and is not intended to be, and should not be, used or relied upon by anyone for any other use.

Kezas & Dunlavy

St. George, Utah
April 17, 2024

STEAMATIC, LLC
BALANCE SHEETS
As of December 31, 2023, 2022, and 2021

	2023	2022	2021
Assets			
Current assets			
Cash and cash equivalents	$ 105,472	$ 1,889,536	$ 1,249,573
Accounts receivable, net	253,795	421,242	247,425
Inventories, net	53,984	102,303	145,216
Deferred commissions	12,250	-	-
Other current assets	53,318	26,645	36,039
Total current assets	478,819	2,439,726	1,678,253
Non-current assets			
Intangible assets	2,204,516	2,204,516	2,204,516
Goodwill	561,620	561,620	561,620
Right of use assets	1,021,950	1,256,023	480,058
Property and equipment, net	197,828	138,217	218,423
Total non-current assets	3,985,914	4,160,376	3,464,617
Total assets	$ 4,464,733	$ 6,600,102	$ 5,142,870
Liabilities and Member's Equity			
Current liabilities			
Accounts payable	$ 9,856	$ 89,176	$ 76,645
Accrued expenses	44,399	131,452	118,674
Related party payables	1,949,520	3,663,526	2,487,353
Deferred revenue	45,000	-	-
Operating lease liabilities, current	302,882	232,020	135,224
Total current liabilities	2,351,657	4,116,174	2,817,896
Non-current liabilities			
Operating lease liabilities, non-current	764,117	1,067,000	401,777
Total non-current liabilities	764,117	1,067,000	401,777
Total liabilities	3,115,774	5,183,174	3,219,673
Member's equity	1,348,959	1,416,928	1,923,197
Total liabilities and member's equity	$ 4,464,733	$ 6,600,102	$ 5,142,870

The accompanying notes are an integral part of these financial statements.

STEAMATIC, LLC

STATEMENTS OF OPERATIONS

For the years ended December 31, 2023, 2022, and 2021

	2023	2022	2021
Operating revenue			
Royalty fees	$ 1,357,455	$ 1,413,286	$ 1,545,969
Sales	156,023	61,614	73,493
Other revenues	34,691	42,156	79,094
Total operating revenue	1,548,169	1,517,056	1,698,556
Cost of revenue	180,310	51,585	71,410
Gross profit	1,367,859	1,465,471	1,627,146
Operating expenses			
Professional fees	53,030	138,410	218,453
Marketing	247,004	57,418	91,041
General and administrative	1,045,026	1,728,164	1,751,430
Depreciation	90,273	49,622	58,533
Total operating expenses	1,435,333	1,973,614	2,119,457
Loss from operations	(67,474)	(508,143)	(492,311)
Other income (expense)			
Interest expense	(495)	(721)	(1,136)
Interest income	-	2,595	-
Total other income (expense)	(495)	1,874	(1,136)
Net loss	$ (67,969)	$ (506,269)	$ (493,447)

The accompanying notes are an integral part of these financial statements.

STEAMATIC, LLC

STATEMENTS OF MEMBER'S EQUITY

For the years ended December 31, 2023, 2022, and 2021

Balance as of January 1, 2021	$ 2,416,644
Net loss	(493,447)
Balance as of December 31, 2021	1,923,197
Net loss	(506,269)
Balance as of December 31, 2022	1,416,928
Net loss	(67,969)
Balance as of December 31, 2023	$ 1,348,959

The accompanying notes are an integral part of these financial statements.

STEAMATIC, LLC

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2023, 2022, and 2021

	2023	2022	2021
Cash flows from operating activities			
Net loss	$ (67,969)	$ (479,738)	$ (493,447)
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation	90,273	49,622	58,533
Bad debt	93,770	1,352	2,952
Change in operating assets and liabilities:			
Accounts receivable, net	73,677	(175,169)	(35,483)
Inventory	48,319	42,913	(82,224)
Prepaid expenses	(26,673)	9,394	(4,258)
Deferred commissions	(12,250)	-	-
Operating lease asset	234,073	(775,965)	166,245
Accounts payable	(79,320)	(14,000)	(79,291)
Accrued expenses	(87,053)	12,778	86,360
Deferred revenue	45,000	-	-
Operating lease liability	(232,021)	762,019	(146,541)
Net cash provided by (used in) operating activities	79,826	(566,794)	(527,154)
Cash flows from investing activities			
Purchases of property and equipment	(149,884)	(71,971)	(119,706)
Net cash used in investing activities	(149,884)	(71,971)	(119,706)
Cash flows from financing activities			
Net draws (repayments) on related party payable	(1,714,006)	1,278,728	1,627,381
Net cash provided by (used in) financing activities	(1,714,006)	1,278,728	1,627,381
Net change in cash and cash equivalents	(1,784,064)	639,963	980,521
Cash and cash equivalents at beginning of period	1,889,536	1,249,573	269,052
Cash and cash equivalents at end of period	$ 105,472	$ 1,889,536	$ 1,249,573
Supplemental disclosures of cash flow:			
Cash paid for interest	$ 495	$ 721	$ 1,136
Cash paid for taxes	$ -	$ -	$ -
Non-cash financing and investing activities			
Equipment transferred to related parties	$ -	$ 102,555	$ -

The accompanying notes are an integral part of these financial statements.

(1) Nature of Business and Summary of Significant Accounting Policies

(a) Nature of Business

Steamatic, LLC (the "Company"), formerly known as Johns Lyng Restoration, maintains its headquarters in Dallas, Texas. The Company is a wholly owned subsidiary of Johns Lyng Florida, LLC ("JLF").

The Company markets and sells franchises and licensing rights for various cleaning equipment and related expertise pertaining to cleaning and restoration services, as well as the sale of supporting products and services. The Company markets the aforementioned franchises, licensing rights, products, and services throughout the world.

The Company uses the accrual basis of accounting, and their accounting period is the 12-month period ending December 31 of each year.

(b) Accounting Standards Codification

The Financial Accounting Standards Board ("FASB") has issued the FASB Accounting Standards Codification ("ASC") that became the single official source of authoritative U.S. generally accepted accounting principles ("GAAP"), other than guidance issued by the Securities and Exchange Commission ("SEC"), superseding existing FASB, American Institute of Certified Public Accountants, emerging Issues Task Force and related literature. All other literature is not considered authoritative. The ASC does not change GAAP; it introduces a new structure that is organized in an accessible online research system.

(c) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

(d) Reclassification

Certain items from prior years have been reclassified to conform to the current year's presentation.

(e) Cash and Cash Equivalents

Cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase. As of December 31, 2023, 2022, and 2021, the Company had cash and cash equivalents of $105,472, $1,889,536, and $1,249,573, respectively.

(f) Accounts Receivable

Accounts receivable are recorded for amounts due based on the terms of executed franchise agreements for franchise sales, royalty fees, and upon provision/shipment and invoicing of containers, products or services from the Company's offices or suppliers. These accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables based on a review of outstanding amounts. Management regularly evaluates individual customer's receivables considering their financial condition, credit history and current economic conditions. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded as income when received. As of December 31, 2023, the Company had an allowance for doubtful accounts of $93,770. As of December 31, 2022 and 2021, the Company had no allowance for doubtful accounts. As of December 31, 2023, 2022, and 2021, the Company had net receivables of $253,795, $421,242, and $247,425, respectively.

(g) Inventory

Inventory is substantially comprised of finished goods consisting mainly of chemicals, equipment, parts, and supplies. Inventory is stated at the lower of cost (using the weighted average cost method) or market. Inventory on hand is evaluated on an on-going basis to determine if any items are obsolete or in excess of future needs. The Company provides for the possible inability to sell its inventory by providing an excess inventory reserve. As of December 31, 2023, 2022, and 2021, no inventory reserve was deemed necessary by management.

(h) Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Items in excess of $1,000 that meet specific guidelines are capitalized. Expenditures for major renewals and improvements are capitalized. Minor replacements, maintenance, and repairs are expensed as incurred. When property and equipment are retired or otherwise disposed of, the cost of the asset and related accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the result of operations for the respective period. Depreciation on property and equipment is calculated on the straight-line method over the estimated useful lives of the assets. The estimated useful lives for significant property and equipment categories are as follows:

Automobiles	5 years
Computer software	3 years
Equipment	5 years
Furniture and fixtures	5 years
Leasehold improvements	Lesser of the useful life or lease term

(i) Long-Lived Assets

Long–lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the difference between the carrying amount of the asset and the fair value of the asset.

(j) Intangible Assets and Goodwill

The Company has recorded intangible assets and goodwill in accordance with ASC 350, *Intangibles—Goodwill and Other*. Intangible assets consist of trademark licenses. Goodwill on acquisitions of subsidiaries and businesses, represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired.

Trademark licenses and goodwill are not amortized; rather potential impairment is considered on an annual basis, or more frequently upon the occurrence of an event or when circumstances indicate that the carrying value of the intangible asset is greater than its fair value. As of December 31, 2023, 2022, and 2021, the carrying value of the trademark licenses and goodwill was not considered impaired.

(k) Revenue Recognition

The Company's revenues consist of fees from franchisees such as initial fees and royalties. ASC 606, *Revenue from Contracts with Customers*, provides that revenues are to be recognized when control of promised goods or services is transferred to a customer in an amount that reflects the considerations expected to be received for those goods or services. In implementing ASC 606, the Company evaluated all revenue sources using the five-step approach: identify the contract, identify the performance obligations, determine the transaction price, allocate the transaction price, and recognize revenue.

For each franchisee, the Company enters into a formal franchise agreement that clearly outlines the transaction price and the Company's performance obligations. Upon evaluation of the five-step process, the Company has determined that royalties are to be recognized in the same period as the underlying revenues upon which they are based. In allocating the transaction price and recognizing the revenue associated with initial franchise fees, the Company has elected to adopt the practical expedient for private company franchisors outlined in ASC 952-606, *Franchisors—Revenue from Contracts with Customers*. The practical expedient allows franchisors to account for pre-opening services as a single distinct performance obligation. These pre-opening services include the following:

- Assistance in the selection of a site
- Assistance in obtaining facilities and preparing the facilities for their intended use, including related financing, architectural, and engineering services, and lease negotiation
- Training of the franchisee's personnel or the franchisee
- Preparation and distribution of manuals and similar material concerning operations, administration, and record keeping
- Bookkeeping, information technology, and advisory services, including setting up the franchisee's records and advising the franchisee about income, real estate, and other taxes about local regulations affecting the franchisee's business
- Inspection, testing, and other quality control programs

The Company has determined that the fair value of pre-opening services exceeds the initial fees received; as such, the initial fees are allocated to the pre-opening services, which are recognized as revenue upon the delivery of all pre-opening services, which is generally the commencement of operations.

(l) Income Taxes

The Company is structured as a limited liability company under the laws of the state of Florida. Accordingly, the income or loss of the Company will be included in the income tax returns of the member. Therefore, there is no provision for federal and state income taxes.

The Company follows the guidance under ASC 740, *Accounting for Uncertainty in Income Taxes*. ASC 740 prescribes a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in the tax return. If taxing authorities were to disallow any tax positions taken by the Company, the additional income taxes, if any, would be imposed on the member rather than the Company. Accordingly, there would be no effect on the Company's financial statements.

The Company's income tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of December 31, 2023, the 2022, 2021, and 2020 tax years are subject to examination.

(m) Advertising Costs

The Company expenses advertising costs as incurred. Advertising expenses for the years ended December 31, 2023, 2022, and 2021 were $247,004, $57,418, and $91,041, respectively.

(n) Leasing

The Company has adopted ASC 842, *Leases*, which requires the recognition of a right of use asset and corresponding lease liability for operating leases. The Company has operating leases for office and warehouse space. The lease liability reflects the present value of the Company's estimated future minimum lease payments over the lease term, discounted using a collateralized incremental borrowing rate. The impact of ASC 842 is non-cash in nature and does not affect the Company's cash flows.

The Company has made an accounting policy election not to recognize right-of-use assets and lease liabilities that arise from any of its short-term leases. All leases with a term of 12 months or less at commencement, for which the

Company is not reasonably certain to exercise available renewal options that would extend the lease term past 12 months, will be recognized on a straight-line basis over the lease term.

(o) Financial Instruments

For certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable, accounts payable, and accrued expenses, the carrying amounts approximate fair value due to their short maturities. The amounts shown for notes payable also approximate fair value because current interest rates and terms offered to the Company for similar debt are substantially the same.

(p) Concentration of Risk

The Company maintains its cash in bank deposit accounts which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risks on cash or cash equivalents.

(2) Property and Equipment

As of December 31, 2023, 2022, and 2021, the Company's property and equipment consists of the following:

	2023	2022	2021
Equipment	$ 234,112	$ 147,755	$ 110,413
Furniture and fixtures	99,891	58,745	47,515
Vehicles	-	-	148,305
Leasehold improvements	46,809	97,387	73,987
	380,812	303,887	380,220
Accumulated depreciation	(182,984)	(165,670)	(161,797)
	$ 197,828	$ 138,217	$ 218,423

Depreciation expense for the years ended December 31, 2023, 2022, and 2021 was $90,273, $49,622, and $58,533, respectively.

(3) Franchise Agreements

The Company's franchise agreements generally provide for a payment of initial fees as well as continuing royalties. Under the franchise agreement, franchisees are granted the right to operate a location using the Steamatic system for a period of ten years. Under the Company's revenue recognition policy, franchise fees and any corresponding commissions are recognized when the franchisee begins operations. For any franchisees that have not yet begun operations as of year-end, the Company defers both the revenues and commissions. All locations that are expected to begin operations within the following year are categorized as current, while all others are classified as non-current. As of December 31, 2023, 2022, and 2021, the Company has the following deferred commissions and deferred revenue, all of which is classified as current:

	2023	2022	2021
Deferred commissions	$ 12,250	$ -	$ -
Deferred revenue	$ 45,000	$ -	$ -

(4) Accrued Expenses

The Company's accrued expenses consist of payroll liabilities and accrued professional fees. As of December 31, 2023, 2022, and 2021, the Company's accrued expenses were $44,399, $131,452, and $118,674, respectively.

(5) Leasing Arrangements

The Company is the lessee in operating leases for office and warehouse space with remaining terms between one and four years with escalation terms in place. As of December 31, 2023, 2022, and 2021, the Company had right of use assets of $1,021,950, $1,256,023, and $480,058, respectively. As of December 31, 2023, 2022, and 2021, the Company had operating lease liabilities of $1,066,999, $1,299,020, and $537,001, respectively.

As of December 31, 2023, the maturities of lease liabilities were as follows:

For the year ended December 31,		
2024	$	302,882
2025		314,895
2026		190,408
2027		205,485
2028		53,330
	$	1,066,999

(6) Related Party Transactions

(a) Related Party Payables

The Company's related party payable consists of amounts loaned to the Company from its member and affiliates to cover operating and start-up costs until the amounts can be repaid with the Company's operating cashflow. The amount does not accrue interest and is due upon demand. As of December 31, 2023, 2022, and 2021, the payable balance was $1,949,520, $3,663,526, and $2,487,353, respectively.

(b) Management Fees

During the year ended December 31, 2023, the Company entered into an agreement with the member to pay management fees on a monthly basis. During the year ended December 31, 2023, these management fees totaled $101,154. These management fees are offset by the expected income tax benefit or expense attributable to the Company. During the year ended December 31, 2023, this amount was estimated to be a benefit of $203,587, which is recorded as a reduction to general and administrative expenses on the statement of operations.

(7) Commitments and Contingencies

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. In accounting for legal matters and other contingencies, the Company follows the guidance in ASC 450, *Contingencies*, under which loss contingencies are accounted for based upon the likelihood of incurrence of a liability. If a loss contingency is "probable" and the amount of loss can be reasonably estimated, it is accrued. If a loss contingency is "probable" but the amount of loss cannot be reasonably estimated, disclosure is made. If a loss contingency is "reasonably possible," disclosure is made, including the potential range of loss, if determinable. Loss contingencies that are "remote" are neither accounted for nor disclosed.

In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

(8) Plans for Future Operations

The Company's financial statements are prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of obligations in the normal course of business. However, the Company has accumulated significant losses to date. Management has evaluated these conditions and has planned to obtain new financing from its member, who has the ability to fund operations and intends to do so if required. This alleviates substantial about the ability of the Company to continue as a going concern.

(9) Subsequent Events

The Company has evaluated subsequent events through April 17, 2024, the date on which the financial statements were available to be issued.

EXHIBIT C

FRANCHISE AGREEMENT

EXHIBIT C

STEAMATIC, LLC

FRANCHISE AGREEMENT

Franchise #: _____

Franchise Owner: _____

Franchise Owner Address: _____

_____

Date: _____

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ATTACHMENTS:

Attachment A	Franchise Data Sheet
Attachment B	Form of Ownership
Attachment C	Franchise Owner Agreement

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this "Franchise Agreement") is made and entered into by and between STEAMATIC, LLC, a Florida limited liability company, with its principal business address at 4320 Marsh Ridge Rd, Suite 190, Carrollton, TX 75010. ("Franchisor," "we," "us," or "our"), and the franchise owner identified on the signature block of this Franchise Agreement ("Franchisee," "you," or "your"), made effective as of the date listed in Attachment A (the "Effective Date").

1. PREAMBLES, ACKNOWLEDGMENTS, AND GRANT OF FRANCHISE

1.A PREAMBLES

(1) We have developed a unique system for the operation of a mobile business providing restoration, cleaning and repair services to commercial and residential customers ("Steamatic Business(es)"). Steamatic Businesses operate under the "Steamatic" name and other trademarks, and have distinctive business formats, methods, procedures, designs, layouts, standards and specifications, all of which we may improve, further develop or otherwise modify from time to time.

(2) We use, promote and license certain trademarks, service marks and other commercial symbols to be used in connection with the operation of Steamatic Businesses, which have gained and will continue to gain public acceptance and goodwill, and we may create, use and license other trademarks, service marks and commercial symbols for the same use (collectively, the "Marks").

(3) We grant franchises ("Steamatic Franchise(s)") to persons who meet our qualifications, and are willing to undertake the investment and effort to own and operate a Steamatic Business offering the services and products we authorize using our business formats, methods, procedures, signs, designs, layouts, standards, specifications and Marks we authorize (the "System").

(4) As a Steamatic Franchise owner, you must comply with this Franchise Agreement and all System Standards (defined below in Section 5D) to maintain the high and consistent quality critical to attracting customers of Steamatic Businesses and preserving the goodwill of the Marks.

(5) You have applied for a Franchise to own and operate a Steamatic Business in the geographic area described in Attachment A attached hereto (the "Territory"), and we have approved such application in reliance upon all of the representations made therein.

1.B ACKNOWLEDGMENTS

You acknowledge and agree:

(1) That you recognize that, like any other business, the nature of the business that a Steamatic Franchise conducts may, and probably will, evolve and change over time.

(2) That attracting customers to your Steamatic Franchise will require you to make continual marketing efforts through various methods.

(3) That retaining customers for your Steamatic Franchise will require you to provide a high level of customer service and adhere strictly to and maintain the System and our System Standards.

(4) We may contact any customer of any Steamatic Franchise at any time for any purpose. Also, if we are contacted by a customer or other patron of the Steamatic Franchise who wishes to lodge a complaint, we reserve the right to address the person's complaint to preserve goodwill and prevent damage to the brand. Our right to address complaints may include refunding money to the complaining person, in which case you must reimburse us for these amounts and any related administrative costs or expenses incurred by us as a result of addressing the complaints.

(5) That in all of their dealings with you, our officers, directors, employees and agents act only in a representative, and not in an individual, capacity and that business dealings between you and them as a result of this Franchise Agreement are deemed only between you and us.

(6) That this Franchise Agreement's terms and covenants are reasonably necessary for us to maintain our high standards of quality and service, as well as the uniformity of those standards at each Steamatic Business, and to protect and preserve the goodwill of the Marks.

(7) That you have been afforded an opportunity to ask any questions you have and to review any materials of interest to you concerning the Steamatic Franchise except those materials prohibited or restricted under applicable federal and state law and/or regulations.

(8) That you alone will exercise day-to-day control over all operations, activities and elements of the Steamatic Business and that under no circumstance shall we do so or be deemed to do so. You further acknowledge and agree, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications and procedures of the System with which you are required to comply under this Agreement, whether set forth in the Online Support Manual (defined below) or otherwise, do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-day operations of the Steamatic Business which you alone control, but only constitute standards you must adhere to when exercising your control of the day-to-day operations of the Steamatic Business.

1.C LEGAL ENTITY

If you are at any time a corporation, limited liability company, general or limited partnership or other legal entity (collectively, an "Entity"), you agree and represent that:

(1) You have the authority to execute, deliver and perform your obligations under this Franchise Agreement and all related agreements and are duly organized or formed and validly existing in good standing under the laws of the state of your incorporation or formation;

(2) Your organizational documents, operating agreement or partnership agreement, as applicable, restricts the issuance and transfer of any ownership interests in you, and all certificates and other documents representing ownership interests in you will bear a legend referring to this Franchise Agreement's restrictions;

(3) Attachment B to this Franchise Agreement completely and accurately describes all of your owners and their interests in you as of the Effective Date;

(4) Each of your direct and indirect owners (i.e., each person holding a direct or indirect ownership interest in you) and each of your owners' spouses will contemporaneously execute the Franchise Owner Agreement in the form attached hereto as Attachment C undertaking personally to be bound, jointly and severally, by all provisions of this Franchise Agreement and any ancillary agreements between you and us. Subject to our rights and your obligations under Section 13, you and your owners agree to sign and deliver to us revised versions of Attachment B from time to time to reflect any changes in the information that Attachment B now contains;

(5) Your Steamatic Franchise and other Steamatic Franchises, if applicable, will be the only business you operate during the term of this Franchise Agreement (although your owners may own other, noncompetitive business interests); and

(6) You have identified on Attachment A one of your owners who is a natural person with at least fifty percent (50%) ownership interest and voting power in you and has the authority of a chief executive officer (the "Operating Principal"). You have delivered to us a completed Attachment A to accurately identify the Operating Principal.

1.D GRANT AND TERM OF FRANCHISE AGREEMENT

We grant you a Franchise to own and operate a Steamatic Business in the specific area described in Section 2 below. The term of the Steamatic Franchise and this Franchise Agreement begins on the Effective Date and expires ten years after the Effective Date ("Initial Term"), unless sooner terminated. You agree at all times faithfully, honestly and diligently to perform your obligations under this Franchise Agreement and to use your best efforts to promote the Steamatic Business and develop and service customers within the Territory. If you do not sign a successor franchise agreement prior to the expiration of this Franchise Agreement and continue to accept the benefits of this Franchise Agreement after its expiration then, at our option, this Franchise Agreement may be treated either as: (i) expired as of the date of expiration with your continued operation being a violation of this Franchise Agreement; or (ii) continued on a month-to-month basis ("Interim Period") until one party provides the other with written notice of such party's intent to terminate the Interim Period, in which case the Interim Period will terminate 30 days after receipt of the notice to terminate the Interim Period. In the latter case, all obligations of Franchisee shall remain in full force and effect during the Interim Period as if this Franchise Agreement had not expired, and all obligations and restrictions imposed on Franchisee upon expiration of this Franchise Agreement shall be deemed to take effect upon termination of the Interim Period.

In addition, if you currently operate an existing independent business that provides services and products similar to those offered by Steamatic Businesses and otherwise meet our qualifications to convert your existing business to a Steamatic Business ("Conversion Owner"), you will indicate this on Attachment A and agree to sign an addendum for Conversion Owners, the form of which is attached to the Franchise Disclosure Document in Exhibit H. Conversion Owners must modify their business operations to our specifications, use our Marks and complete all applicable training. All terms and conditions of this Franchise Agreement shall equally apply to a Franchise granted to a Conversion Owner unless otherwise specified herein.

1.E MODIFICATION OF FRANCHISE SYSTEM

We have the right to change the standards and specifications applicable to the operation of your Steamatic Franchise by written notice to you. You may incur an increased cost to comply with these changes, and agree to implement the changes at your own expense as if they were part of the System

when this Franchise Agreement was signed, including discounting or modifying the use of any of the Marks. However, no change will materially alter your fundamental rights under this Franchise Agreement.

1.F LIEN

To secure your performance under this Franchise Agreement and indebtedness for all obligations owed and sums due to us or our affiliates, we shall have a lien upon, and you hereby grant to us a security interest in, the following collateral and all attachments, accessories, additions, accessions and substitutions to or for such collateral, and the cash and non-cash proceeds derived from insurance or the disposition of such collateral: (a) all inventory, equipment, furniture, furnishings, fixtures and supplies now leased, owned or after-acquired by Franchisee and the Steamatic Business, including, but not limited to, the vehicle(s), inventory, equipment, furniture, furnishings, fixtures and supplies transferred to or acquired by you in connection with this Franchise Agreement; (b) all accounts of Franchisee and/or the Steamatic Business now existing or subsequently arising, together with all interest in the Steamatic Business now existing or subsequently arising, together with all chattel paper, documents and instruments relating to such accounts; (c) all of your contract rights relating to the Steamatic Business now existing or subsequently arising; and (d) all general intangibles (including, without limitation, customer information) of the Steamatic Business now owned or existing, or after-acquired or subsequently arising. You hereby authorize us to file and record financing statements, financing statement amendments, continuation financing statements, fixture filings and other documents that we deem necessary to evidence, perfect and continue the priority of security interests in and to these assets. You also agree to execute and deliver any such documents to us upon our request.

2. TERRITORY

2.A TERRITORIAL RIGHTS

As long as you are not in default under the Franchise Agreement, except as permitted by this Section, we (including our affiliates) will not establish, or franchise any entity to establish, a Steamatic Business within the Territory identified in Attachment A. Except as limited in this Section 2 and provided that you are in full compliance with this Franchise Agreement, we and our affiliates will not operate or grant a franchise for the operation of another Steamatic Business at a location within the Territory during the term of this Franchise Agreement. If you are in default, unable or unwilling to provide necessary services or products, we may establish or operate, and grant others the right to establish or operate, Steamatic Businesses at any location inside or outside of the Territory; service national accounts within the Territory, or allow other Steamatic franchisees or third parties to service national accounts; and establish or operate, and grant others the right to establish or operate, other businesses offering the same or similar products utilizing the Marks or other trade names, trademarks and service marks. If you renew your Steamatic Franchise, your Territory may be modified depending on the then-current demographics of the Territory, and on our then-current standards for territories.

You agree that both within and outside the Territory, we and/or our affiliates or franchisees we designate, may provide Services to "National Accounts." You do not have the right, unless we expressly grant such right to you in writing, to contract with national, regional and/or institutional accounts (including facilities within your Territory). We have the ability to revoke such right. If we give you the opportunity to fulfill such orders and if, for any reason, you do not desire to or cannot serve the customer, or if the customer desires for any or no reason to deal exclusively with us, our affiliate or another franchisee and not with you, then we, our affiliate or any franchisee may serve the customer within your Territory and you will not be entitled to any compensation.

You may not solicit or accept orders from customers located outside of the Territory except as permitted by this Section. You do not have the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales outside of the Territory. "Territory Infringement" occurs when a franchisee generates income from a customer by receiving payment for products and/or services provided and/or rendered within the territory of another Steamatic franchisee without first obtaining that franchisee's and our written permission. A franchisee who infringes upon another franchisee's territory is subject to the following fines, payable to us within five days after such infringement(s) is proven:

(1) first violation - $1,000, plus the invoice amount for the services performed; and

(2) second violation and subsequent violations - $5,000, plus the invoice amount for the services performed.

The collected fine amounts shall become our property and any distribution of these funds shall be in our sole discretion. The total violations count is cumulative over the life of this Franchise Agreement and any Successor Franchise Agreements regardless of where and when the violations occur.

You may provide services and sell products to customers located outside of the Territory without being subject to Territory Infringement under the following circumstance: (1) there is no other franchisee in that area; (2) the customer initiates the contact with you; (3) you receive our express written consent, which may be withheld at our discretion; and (4) you follow any off-site policies and procedures in our Online Support Manual. If another Steamatic franchisee refers a job to you to perform Steamatic services in your Territory, you must pay a referral fee to that franchisee equal to five percent (5%) of the Gross Revenue derived from that job. You are prohibited from directly marketing to or soliciting customers whose principal residence (or principal business office if the customer is a business) is outside of your Territory unless we specify otherwise to you in writing. You may not advertise in any media whose primary circulation is outside of the Territory without our permission unless the advertisement is part of a cooperative advertising program. We do not grant a right of first refusal to franchisees to purchase new or existing locations. This Franchise Agreement does not grant you rights to pursue any of Franchisor's or its affiliates' business concepts other than the Steamatic Franchise.

2.B TERRITORIAL RIGHTS WE RESERVE

Except as expressly limited by Section 2A above, we and our affiliates (if any) have the right to operate, and to license others to operate, Steamatic Businesses at any location outside the Territory, even if doing so will or might affect the operation of your Steamatic Business. We retain the right for ourselves and our affiliates (if any), on any terms we deem advisable, and without granting you any rights:

(1) to own, franchise or operate Steamatic Businesses at any location outside of the Territory, regardless of the proximity to your Steamatic Business;

(2) to locate a regional office or warehouse in your Territory;

(3) to use the Marks and the System to sell any products or services similar to those which you will sell through any alternate channels of distribution within or outside of the Territory. This includes, but is not limited to, other channels of distribution such as television, catalog sales, wholesale to unrelated retail outlets or over the Internet. We exclusively reserve the Internet as a channel of distribution for us, and you may not independently market on the Internet or conduct e-commerce;

(4) to offer and sell products under the Marks or any other marks through retail locations within or outside of the Territory;

(5) to use and license the use of other proprietary and non-proprietary marks or methods which are not the same as or confusingly similar to the Marks, whether in alternative channels of distribution or in the operation of a business providing catastrophe restoration and cleaning services and related services and products at any location, including within the Territory, which may be similar to or different from the Steamatic Business operated by you;

(6) to engage in any transaction, including to purchase or be purchased by, to merge or combine with, to convert to the System or be converted into a new system with any business, whether franchised or corporately-owned, including a business that competes directly with your Steamatic Business or that offers services and products similar to those offered by Steamatic Businesses, whether located inside or outside of the Territory; provided that in such situations, the newly-acquired businesses may not operate under the Marks in your Territory;

(7) to service National Customers (defined below) within a territory, or allow other Steamatic franchises or third parties to service National Customers;

(8) to implement multi-area marketing programs which may allow us or others to solicit or sell to customers anywhere. We also reserve the right to issue mandatory policies to coordinate such multi-area marketing programs;

(9) to grant additional limited, non-exclusive franchises to third parties to use the Marks and System in connection with the performance of Steamatic services in your Territory for any Steamatic service category which either are not currently licensed in the Territory or are not being adequately utilized by you. A service category under the particular Steamatic services you will be licensed to perform will be considered to be under-utilized in the event the portion of Gross Revenue as reported by you for that service category is less than ten percent (10%) of your total Gross Revenue for any calendar year;

(10) to perform Limited Steamatic Services (defined below) in your Territory as described below;

(11) to use and license the use of technology to non-franchisee locations inside and outside the Territory;

(12) to develop other concepts, applications and methods of delivering Steamatic services or additional services to the marketplace, some of which may be provided under the Marks or under different marks. We are not required to offer you these services and may charge you a fee if you wish to offer for such concepts, applications, methods and services in our sole discretion; and

(13) to engage in any other business activities not expressly prohibited by this Franchise Agreement, both within and outside your Territory.

If we determine, in our sole discretion, that a community-wide, other large-scale single loss and/or catastrophe event within the Territory requires services exceeding your physical and financial capabilities or that you lack a requirement of qualification for a National Customer Accounts Program (defined in Section 2D) or required licenses, then we, through ourselves, other franchises, affiliated

companies and/or specially-trained and equipped contractors ("Special Contractors"), may perform the requested work ("Limited Steamatic Services"). If we or one of our Special Contractors performs a job referred by you in your Territory, we will pay you a referral fee based on a percentage of Gross Revenue (less any non-reimbursable costs such as freight, transportation, and room and board) received from that referral to the extent the job is within the Steamatic services covered by your Franchise. The percentage used to calculate the referral fee will vary, as determined from time to time by us, according to the range of the total dollar amount of the job and the extent to which revenue is derived from services performed in your Territory. Currently, the referral fee is calculated starting with ten percent (10%) of the first $50,000 and gradually declining to one percent (1%) as the amount of the job increases. We reserve the right to change these percentages, but the change will not affect any jobs signed prior to the change. If we perform all or part of the Limited Steamatic Services, we will pay referral fees within 30 days after we receive full payment for all services rendered. Any referral fee which may be negotiated with a Special Contractor who does all or part of the work may be made payable to us, but we will forward the payment to you within 30 days after our receipt of the full payment. All referral fees that are payable to you will be net of any administrative costs incurred by us and any amounts you owe to us.

Except as stated, we are not required to pay you if we exercise any of the rights specified above within your Territory. We do not pay compensation for soliciting or accepting orders inside your Territory, including orders accepted or solicited by other Steamatic franchisees, or for exercising any of our rights within or outside of your Territory. You agree that you may face competition from us, from other franchisees and from other channels of distribution or competitive brands that we control within the Territory. The continuation of the Territory is dependent upon your achievement of a certain Performance Criteria, as described below.

2.C PERFORMANCE CRITERIA

We will evaluate your Steamatic Business for the development of your Territory and active implementation of the System based on certain performance criteria ("Performance Criteria"). At the end of your second full year of operation, we will evaluate your annual Gross Revenue to determine whether your year-over-year growth in Gross Revenue is equal to at least an amount equal to the percentage increase in the cost of living as measured by the Consumer Price Index for All Urban Consumers ("Price Index") for such period. If you fail to meet the Performance Criteria, you will become subject to a six-month probationary period. During the probationary period, we may: (a) require you and other employees we determine to attend additional training programs; or (b) provide on-site assistance and consultation at your expense. If we provide any additional training, assistance or consultation, you must cover all costs and expenses for such training, assistance or consultation. If you renew your Steamatic Franchise, your Territory may be modified depending on the then-current demographics of the Territory, and on our then-current standards for territories.

2.D NATIONAL CUSTOMER ACCOUNTS PROGRAM

We have a National Customer Accounts Program ("NCAP") to provide Steamatic services to national customers. A "National Customer" is any property owner, manager or agent of an owner that: (i) owns, controls, manages or remodels properties located in more than one Steamatic Franchise territory; or (ii) is in any customer category targeted by us. Targeted National Customer categories include nationally branded hotels; hospitals and healthcare facilities; colleges and universities; K-12 school districts; federal, state and local government; third-party administrators and insurers; and military installations and housing.

Under our NCAP, we may service or designate ourselves or other franchisees to service National Customers in your Territory. Our Online Support Manual contains the NCAP policies, which may be changed over the term of your Franchise Agreement. If you qualify to participate in the NCAP, you must

sign our then-current Addendum to Franchise Agreement for National Account Participation, the current form of which is attached to the Franchise Disclosure Document in Exhibit H.

3. DEVELOPMENT AND OPENING OF THE STEAMATIC FRANCHISE

3.A FRANCHISE PREMISES

Steamatic Franchises are typically operated out of the franchisee's home, but you may, in your sole discretion, choose to rent a self-storage facility, executive suite office or other commercial space. You are not required to obtain additional real property from which to operate your business. The Steamatic Business may also be operated from office buildings, business parks and other commercial real estate locations in your sole discretion. If you elect to operate your Steamatic Business out of an office, you will be solely liable for its compliance with all applicable business ordinances and building codes, and for obtaining all necessary health, building, sign and other permits, licenses and bonds as may be required for the operation of the office. Any storage space or real property from which you operate the Steamatic Business or store items for use with the Steamatic Business must be located in your Territory.

3.B VEHICLES

You must obtain and use the van(s) or truck(s) approved by us in accordance with the System Standards ("Vehicle"). Your Vehicle must meet our then-current standards that we specify and that are contained in the Online Support Manual. You may use a vehicle you currently own as your Vehicle, provided it meets our specifications. Each Vehicle must be decorated and wrapped according to our specifications at your sole cost. You must obtain the number of Vehicles required, in your sole judgment, to sufficiently service all of your Steamatic Franchise's customers; but under no circumstances shall you have less than one Vehicle for every 150,000 households you service. The Vehicle(s) may be purchased or leased and must be used in the operation of your Steamatic Business for the purpose of advertising and transporting various equipment, supplies and materials. You must not use the Vehicle for any purpose other than the operation of your Steamatic Business. You agree to: (i) decorate and wrap all Vehicles in accordance with our then-current System Standards, and at our request, periodically update or improve the decoration and wraps of the Vehicles (any such updates or improvements must be made within 30 days of our delivery of notice to you that such updates or improvements must be made); (ii) maintain the condition of the Vehicle(s) consistent with the image of a Steamatic Business and in accordance with the System Standards; (iii) not sell or otherwise transfer the Vehicle(s) without first removing all of the Marks from the Vehicles; (iv) obtain and maintain all appropriate permits, business and contractor licenses and certifications including, but not limited to, valid driver's licenses for all drivers and current vehicle registrations for the Vehicle(s) used in the Steamatic Business; and (v) maintain appropriate insurance coverage as set forth in Section 9.G. You agree to fully de-identify any Vehicle you no longer utilize.

3.C AUTHORIZED SERVICES AND PRODUCTS

You must offer only such services and products and other related services and products that we periodically authorize for Steamatic Businesses. You also must not sell or disclose your Steamatic customer list(s) or customer contracts (collectively referred to herein as "Customer List(s)"), or otherwise use your Customer List(s) for any purpose other than in connection with the operation of your Steamatic Business. You may not, without our prior written approval, offer or sell any type of service, or offer, sell or use any product that we have not authorized for Steamatic Businesses. The Customer List is our intellectual property and upon the termination or expiration of this Franchise Agreement, you will have no rights in the Customer List. We will not unreasonably withhold our consent to products or services you propose to offer so long as they are consistent with the operation of a Steamatic Business.

3.D COMPUTER SYSTEM, INTERNET AND TELEPHONE

You must obtain and use the computer hardware, laptops, tablets, email addresses and/or operating software we specify from time to time in our Online Support Manual for the operation of your Steamatic Business ("Computer System"). You must obtain the computer hardware, software licenses, maintenance and support services, and other related services from the suppliers, including us, which we specify. You must also obtain and maintain a high-speed Internet connection at the Steamatic Business, and you must obtain and maintain Internet service on your smartphone, tablet computer and other computer hardware. Our modification of specifications for the Computer System and/or other technological developments or events may require you to purchase, lease and/or license new or modified computer hardware and/or software and to obtain additional service and support for the Computer System. You acknowledge and agree that changes to technology are dynamic and not predictable within the terms of this Franchise Agreement. Although we cannot estimate the future costs of the Computer System or required service or support, you agree to incur the costs of obtaining the computer hardware and software comprising the Computer System (or additions and modifications) and required service or support. You must, within 30 days after you receive notice from us, obtain any new Computer System components we designate and ensure that your Computer System, as modified, functions properly, including any updates to the software as may be provided.

You must pay our approved suppliers of computer software the then-current software license fees. Current license fees include the following (subject to change): $186 per user per month for the Xactimate software, $690 per user per month for DASH project management software (plus a $500 setup fee), approximately $150 per user per month for QuickBooks online accounting software, and $80 per user per month (plus $7 per assignment and $450 for initial setup) for Mica mitigation management software. You must also pay third-party vendors their then-current monthly website fee (currently $286 per month). These suppliers have the right to increase or decrease their fees at any time, in their sole discretion. We reserve the right to change our approved suppliers at any time and in our sole discretion and you agree to into any license agreements or other agreements required of us or such current or future approved suppliers for use of such software.

We (or designee(s)) have the right to independently access your electronic information and data relating to your Steamatic Business through our proprietary data management and intranet system and to collect and use your electronic information and data in any manner we promote developing the System and the sale of Steamatic Franchises. This may include posting financial information of each Steamatic franchisee on an intranet website. You must record all Gross Revenue on the Computer System and store all data and information in the Computer System that we designate. There is no contractual limitation on our right to receive or use information through our proprietary data management and intranet system. We may access the electronic information and data from your Computer System remotely, in your Steamatic Business, or from other locations.

We currently do not charge, but reserve the right to charge, a separate monthly technology fee for certain technologies used in the operation of your Steamatic Business. Once established, you agree to pay us, upon at least 30 days' advance written notice to you, our then-current fee to implement certain technologies that may be used in the operation of your Steamatic Business such as website hosting by us, future web-based System integration, and other technology related services ("Technology Fee"). We reserve the right to upgrade, modify and add new technologies and software throughout the term of the Franchise Agreement. You will be responsible for any increase in fees that result from any upgrades, modifications or additional software. If assessed, the Technology Fee shall be due by the tenth day of each calendar month for the current month.

You are required to purchase and maintain a high-speed Internet connection at the Steamatic Business and you must maintain Internet service on your tablet computer. You agree to establish and maintain a local telephone number with a live answering person 24 hours a day, seven days a week and to maintain a cellular telephone with voice and messaging technology for use with the operation of your Steamatic Business. You agree to only communicate concerning your Steamatic Business by email through approved email accounts and by telephone through approved telephone numbers.

We will not allow the use of any compatible, equivalent software. You are responsible for maintaining the Computer System in good operating condition.

We may condition any license of proprietary software to you, or your use of technology that we or our affiliates develop or maintain, on you signing a software license agreement or similar document that we or our affiliates prescribe to regulate your use of, and our and your respective rights and responsibilities concerning the software or technology.

You must fully implement the Computer System in your day-to-day operations of your Steamatic Business. This includes, but is not limited to, scheduling, receiving payments, invoicing, preparing royalty reports, annual sales reports, profit and loss statements, statement of cash flows and other financial statements.

3.E BUSINESS OPENING

You agree not to open the Steamatic Business for business until:

(1) we notify you in writing that all of your pre-opening obligations have been fulfilled;

(2) you and/or, if applicable, your designated manager have completed the Initial Training Program to our satisfaction;

(3) the Initial Franchise Fee and all other amounts then due to us have been paid in full;

(4) we have been furnished with copies of all insurance policies and certificates required by the Franchise Agreement, or other documentation of insurance coverage and payment of premiums we request;

(5) you notify us that all approvals and conditions stated in the Franchise Agreement have been met;

(6) you have received all required permits and licenses for the operation of the Steamatic Business; and

(7) you have ordered and received your equipment, supplies, inventory and related materials required for the Steamatic Business.

Subject to your compliance with these conditions, unless we and you otherwise agree in writing, you agree to open the Steamatic Business to the public no more than 90 days after the Effective Date. Failure to open your Steamatic Business within this 90-day window shall be a breach of the Franchise Agreement that provides us with the right to terminate the Franchise Agreement. The date that your Steamatic Business first opens to the public shall be the "Opening Date."

3.F TRADE NAME

You must conduct your Steamatic Business in connection with a trade name which is geographically descriptive and which includes the mark "Steamatic®." The trade name to be used by you in connection with your Steamatic Business shall follow the naming format "Steamatic® of _____." For example, an acceptable trade name for you if you were located in Fort Worth, Texas, would be "Steamatic® of Fort Worth." You agree that you shall not use your given or surname in any part of the trade name referred to above. You shall file such documents as local law may require to conduct business under such trade name, and shall furnish us with a copy of such filing. You shall not use any other trade name unless approved by us. **You shall not incorporate any entity under the name "Steamatic® " or any name confusingly similar to "Steamatic®,"** and shall use the trade name "Steamatic®" as an assumed name or d/b/a in all facets of your business including, without limitation, your invoices, letterheads, advertising, and in answering your telephone. You may only use such trade name during the Initial Term of this Franchise Agreement, or any Interim Period or Successor Franchise thereto, and must immediately cease such use upon expiration or termination of this Franchise Agreement.

4. FEES

4.A INITIAL FRANCHISE FEE

You must pay us an initial franchise fee ("Initial Franchise Fee") when you sign this Franchise Agreement. The Initial Franchise Fee is fully earned by us once paid and is non-refundable under any circumstances. Your Initial Franchise Fee will be determined by the size of the population in the Territory (up to a maximum of 400,000 persons), and is calculated as follows (subject to applicable discounts discussed below):

Territory Population*	Initial Franchise Fee
Up to 250,000 persons	$40,000
250,000 to 400,000 persons	$40,000 + $200 for every 1,000 individuals over 250,000

*The population statistics used in determining your Initial Franchise Fee and Territory will be based on the latest United States Census Bureau report and other statistical and geographical data that we have available.

The Initial Franchise Fee listed above may be discounted for qualifying Conversion Owners or employees of Steamatic Franchises. If you are a Conversion Owner with verified annual gross sales of at least $200,000 for the most recently completed calendar year (prior to becoming a franchisee), you will receive a percentage discount off of the Initial Franchise Fee, as follows:

Historical Sales	Initial Franchise Fee Discount
$200,000 - $299,999	10%
$300,000 - $399,999	15%
$400,000 - $499,999	20%
$500,000 - $599,999	25%
$600,000 - $699,999	30%
$700,000 - $799,999	35%
$800,000 - $899,999	40%
$900,000 - $999,999	45%
$1,000,000 and Above	50%

In addition, if you have been an employee of an existing Steamatic Franchise for at least two years, you will receive a dollar-based discount off of the Initial Franchise Fee, as determined by the number of years of consecutive employment with an existing Steamatic Franchise, as follows:

Consecutive Years of Employment	Discount Taken Off Initial Franchise Fee for the First 250,000 in Population
2	$5,000
3	$7,500
4	$10,000
5	$12,500
6	$15,000
7	$17,500
8	$20,000
9	$22,500
10+	$25,000

Your Initial Franchise Fee amount is identified in Attachment A and due in full upon execution of this Franchise Agreement. The Initial Franchise Fee is fully earned by us when paid and is not refundable under any circumstances.

4.B FRANCHISE STARTUP FEE

You must pay us a Franchise startup fee ("Franchise Startup Fee") of $5,000 when you sign the Franchise Agreement for certain printed marketing materials. The Franchise Startup Fee is uniform and not refundable under any circumstances.

4.C FRANCHISE EQUIPMENT PACKAGE

You must purchase a Franchise Equipment Package of start-up items from us or our approved vendor ("Franchise Equipment Package"). The fee for the Franchise Equipment Package is due before you begin operating your Steamatic Business. You agree to purchase either "Package A" or "Package B" which are described in Item 5 of the Franchise Disclosure Document. You are also responsible for all shipping expenses, installation costs and any applicable sales taxes for the Franchise Equipment Package that you select on Attachment A and to pay us the fee amount noted in Attachment A to this Franchise Agreement.

4.D ROYALTY FEE

Beginning on the Opening Date and continuing throughout the Initial Term of this Franchise Agreement, including any Interim Period, you agree to pay us a monthly royalty fee (the "Royalty"). The Royalty is based on the Steamatic Business' Gross Revenue (defined below in Section 4.E) during the previous month. Royalty calculations are based on three categories, as follows:

(1) "Subcontract Portion." The Gross Revenue derived from the Steamatic services provided by any subcontractor your Steamatic Business retains or refers. Subcontracted services and products must be approved by us in advance;

(2) "Construction Portion." The Gross Revenue derived by your Steamatic Business from the sale of services and products on projects that involve construction or re-construction and are not Steamatic services; and

(3) "Adjusted Gross Revenue." All Gross Revenue from your Steamatic Business that does not fall within (1) or (2), above.

The Royalty rate in each of the foregoing categories is based on an adjusted scale depending on Gross Revenue ranges for your Steamatic Business during that calendar year. If your Steamatic Business reaches certain Gross Revenue milestones during a calendar year, the Royalty rate for monthly sales will decrease as shown in the table below. The new Royalty rate will apply only to Gross Revenue received by your Steamatic Business after the new rate becomes effective. The aggregate Gross Revenue calculation as set forth the table below will automatically reset each calendar year on January 1, regardless of when you open your Steamatic Business:

Annual Gross Revenue Range*	Rate Applicable to Adjusted Gross Revenue	Rate Applicable to the Subcontract Portion of Gross Revenue	Rate Applicable to the Construction Portion of Gross Revenue
$0 - $500,000	8%	4%	2%
$500,001 - $1,000,000	7%	3.5%	2%
$1,000,001 - $1,500,000	6%	3%	1%
$1,500,001 - $2,000,000	5%	2.5%	1%
$2,000,001 - $2,500,000	4%	2%	1%
$2,500,001-$3,000,000	3%	1.5%	1%
$3,000,001 and above	2%	1%	1%

You acknowledge and agree that the Gross Revenue thresholds in the table above shall not be construed as, and are not intended to be, a statement or representation of projected revenues by us.

The Royalty shall be due on or before the tenth day of each month for the previous month. You agree to pay the Royalty via electronic funds transfer ("EFT") or in any other manner that we periodically require. You agree to send us on a form we approve (or as we otherwise direct) a signed statement of the Gross Revenue for each month.

4.E DEFINITION OF "GROSS REVENUE"

As used in this Franchise Agreement, the term "Gross Revenue" means the total of all revenue, income and consideration from the sale of all Steamatic services and products to your customers whether or not sold or performed at or from the Steamatic Business, and whether received in cash, coupon, in services in kind, from barter or exchange, on credit (whether or not payment is received) or otherwise. If your Steamatic Business offers any services, all receipts from these services are included in Gross Revenue.

You may deduct from Gross Revenue for purposes of this computation (but only to the extent they have been included) the amount of all sales tax receipts or similar tax receipts which, by law, are chargeable to customers, if the taxes are separately stated when the customer is charged and if the taxes are paid to the appropriate taxing authority. You may also deduct from Gross Revenue the amount of any documented refunds, chargebacks, credits, charged tips and allowances you give in good faith to customers of the Steamatic Business. All barter or exchange transactions in which the Steamatic Business furnishes products or services in exchange for products or services provided by a vendor, supplier or customer will, for the purpose of determining Gross Revenue, be valued at the full retail value of the products or services so provided.

Gross Revenue shall be deemed recognized by Franchisee at the time the services or products from which they were derived are delivered or rendered or at the time the relevant sale takes place, regardless of whether final payment (e.g., collection on a customer's personal check) actually has been received by Franchisee. Gross Revenue consisting of products or services shall be valued at the retail prices applicable and in effect at the time that they are received.

4.F REFERRAL FEES

If us or one of our Special Contractors refers a job to you in your Territory, you must pay us or the Special Contractor our then-applicable referral fee (currently, between five percent (5%) to ten percent (10%) of the Gross Revenue from the referred job). The percentage used to calculate the referral fee will vary, as determined from time to time by us, according to the range of the total dollar amount of the job and the extent to which revenue is derived from services performed in your Territory. Currently, the referral fee is calculated starting with ten percent (10%) of the first $50,000 and gradually declining to one percent (1%) as the amount of the job increases. We reserve the right to change these percentages, but the change will not be retroactive to any jobs signed prior to the change. We may, in our sole discretion, bill your customer and deduct this fee before payment to you. We do not guarantee any minimum level or number of referrals.

If another Steamatic franchisee refers a job to you in your Territory, you agree to pay the referring franchisee the then-current referral fee (currently, five percent (5%) of the Gross Revenue from the referred job).

4.G CONVENTION ATTENDANCE AND FEES

You, or if you are an Entity, your Operating Principal and/or your designated manager must attend, at your expense, any regional or national seminar designated by us as mandatory at the location we designate, including, without limitation, our annual convention, unless otherwise excused by us. If you own multiple locations, one management-level individual must attend on behalf of each of your Steamatic Business locations. We may charge registration or similar fees for these seminars. You will be required by us to pay our then-current fees in advance to offset the cost of conventions or other programs, currently $495 (or $395 for early registration) whether or not you attend the mandatory meeting. This fee is due 60 days prior to the date of the convention and must be paid whether or not you attend our annual convention in any given year. You further agree to pay all travel and living expenses which you, your designated manager and/or any other of your attendees incur during all such seminars. We may preclude you from participating in any convention or program if you are in default of this Franchise Agreement or if you have had two or more notices of default in the year prior to the convention or program.

4.H APPLICATION OF PAYMENTS

Despite any designation you make, we may apply any of your payments to any of your past due indebtedness to us. Unless expressly stated otherwise, all fees paid to us under this Franchise Agreement are non-refundable. You will have no right to offset any fees paid to us and must pay us all fees regardless of any claims you may have against us. We will have the right, at any time before or after termination of this Franchise Agreement, without notice to you, to offset any amounts or liabilities that you may owe to us against any amounts or liabilities that we may owe you under this Franchise Agreement or any other agreement, loan, transaction or relationship between the parties, including any amounts that you may claim for sales that you make through any stored value or gift card or similar program.

4.I METHOD OF PAYMENT

We may debit your business checking account ("EFT Account") for all fees payable to us under this Franchise Agreement, including the Royalty payments, Brand Fund contributions (defined below), website fee and any payments that you owe to us when such amounts are due to us as provided in this Franchise Agreement. You hereby authorize us to debit your EFT Account, if we so choose, for these amounts and all other amounts due to us under this Franchise Agreement. You hereby agree to execute the EFT Authorization form attached to the Franchise Disclosure Document in Exhibit H. Upon our request, you agree to sign any additional documents we require to authorize us to debit your EFT Account. We have the right to periodically specify (in the Online Support Manual or otherwise in writing) different payees and/or payment methods such as, but not limited to, weekly or monthly payment, payment by auto-draft, credit card and payment by check. You may also, upon our written request, be required to keep a valid Visa or MasterCard credit card on file with us. We reserve the right to charge a service fee of up to four percent (4%) for any payment paid to us by credit card. You shall not subordinate to any other obligation your obligation to pay the Royalty or any other fee or charge due to us under this Franchise Agreement.

We may require you to remit fees and other amounts due to us under this Franchise Agreement via EFT or other similar means utilizing an approved computer system or otherwise. You agree to comply with our procedures and/or perform such acts and deliver and execute such documents as may be necessary to assist in or accomplish payment by such method. If we require you to make payments by our debiting the EFT Account, you agree to ensure that funds are available in your EFT Account to cover our withdrawals. You agree to pay us a service charge in the amount of the lesser of $50 or the highest amount allowed by law for each instance when such funds are not available and for each instance when

you pay us any amount due by check that is returned due to insufficient funds, stop payment or any similar event.

4.J LATE PAYMENTS

Any payment not made by the due date will be deemed overdue. In the event of any overdue amounts, you will pay us or our affiliates, in addition to the overdue amounts, a per occurrence late fee of $100 plus applicable interest (as set forth in Section 4.L). The late fees are not penalties but compensate us for increased administrative and management costs due to your late payment. Such late fees will be in addition to any other remedies we may have under law or equity. We may debit your bank account automatically or deduct from amounts we owe you for service charges and interest. You acknowledge this Section is not our agreement to accept any payments after they are due or our commitment to extend credit to, or otherwise finance your operation of, the Steamatic Business.

4.K INTEREST

You must pay us interest in the amount of the lesser of the daily equivalent of eighteen percent (18%) per year simple interest or the highest rate allowed by law on any late payments of fees, amounts due for product purchases, or any other amounts due to us or our affiliates (if any), including Royalties. Interest will continue to accrue until the interest and the overdue amount are both paid. Interest is due in addition to the late payment fee.

4.L YOU MAY NOT WITHHOLD PAYMENTS

You agree that you will not withhold payments that are due to us and our affiliates of any amounts due to us for any reason whatsoever including on grounds of the alleged nonperformance by us of any of our obligations hereunder.

4.M CONSUR PRICE INDEX

All fees expressed as a fixed dollar amount in this Franchise Agreement are subject to adjustment based on changes to the Consumer Price Index in the United States ("CPI"). We may periodically review and increase these fees based on changes to the CPI, but only if the increase to the CPI is more than 5% higher than the corresponding CPI in effect on: (a) the Effective Date of the Franchise Agreement (for the initial fee adjustments); or (b) the date we implemented the last CPI-related fee adjustment (for subsequent fee adjustments). We will notify you of any CPI adjustment at least 60 days before the fee adjustment becomes effective. We will implement no more than one CPI-related fee adjustment during any calendar year. Notwithstanding the foregoing the fee adjustments in this Section shall not impact fees which we reserve the right to increase in higher amounts or adjust more frequently, including but not limited to the Technology Fee.

5. TRAINING AND ASSISTANCE

5.A INITIAL TRAINING PROGRAM

You, or if you are an Entity, your Operating Principal, are required to complete our initial training program at the times and places we designate ("Initial Training Program"). The Initial Training Program shall be conducted at our headquarters in Carrollton, Texas, or at another location we designate, which may be in-person or virtual. You, or if you are an Entity, your Operating Principal and, if applicable, "Designated Manager" (see Section 9F) and employees (generally 1-2 employees) must attend and successfully complete the Initial Training Program to our satisfaction prior to the Opening Date ("Initial

Training Deadline"). If this Franchise Agreement was signed or assumed by you following purchase of an existing Steamatic Franchise, then you must complete Initial Training Deadline before completing the transfer and assuming responsibility for the Steamatic Business.

We currently provide the Initial Training Program for no additional fee for up to four attendees, provided all attendees attend the same Initial Training Program during one of the next three Initial Training Programs offered after you sign your Franchise Agreement. You may repeat the Initial Training Program at no additional charge upon request and subject to available space. We reserve the right to charge for the Initial Training Program in the future and/or for additional persons to attend, and the right to vary the length and content of the Initial Training Program as we deem appropriate in our sole discretion based on the experience of the attendee. We shall determine the scheduling, exact duration, contents and manner of the Initial Training Program in our discretion and may delay your attendance until a suitable time near the Opening Date for your Steamatic Business in our discretion. We may charge you for additional persons to attend the Initial Training Program. You must pay for any and all wages, travel, lodging and/or living expenses which your attendees incur. Any new Operating Principal or Designated Manager must also complete the Initial Training Program to our satisfaction within 90 days of appointment. If any of your attendees are unable to complete the Initial Training Program to our satisfaction, we may terminate this Franchise Agreement without refunding your Initial Franchise Fee. Each person attending the Initial Training Program must sign a confidentiality agreement in the form attached to the Franchise Disclosure Document in Exhibit H.

Upon successful completion of the Initial Training Program, you and/or, if applicable, your Designated Manager, may request additional training. If you request, and we agree to provide, additional or special guidance, assistance or training related to the Steamatic Business' operation, you agree to pay our then-current fee, which is currently $500 per day, plus our personnel per diem charges and travel and living expenses.

5.B ONGOING TRAINING

Your previously trained and experienced employees and any newly hired employees must satisfactorily complete any required training courses and continuing education courses we periodically provide, or designate a third party to provide, at your cost at the times and locations we designate. We may charge a tuition fee for these courses. You agree to pay all travel and living expenses of your attendees. If we request, you agree to host up to four additional continuing education training sessions. Hosting such sessions may be a condition to qualify for some of our programs. We will not charge you any additional training fee for a training session if you are a hosting franchisee.

You understand and agree that any specific ongoing training or advice we provide does not create an obligation (whether by course of dealing or otherwise) to continue to provide such specific training or advice, all of which we may discontinue and modify from time to time.

5.C GENERAL GUIDANCE

We will advise you from time to time regarding the Steamatic Franchise operation based on your reports or our inspections and will guide you with respect to: (1) standards, specifications, operating procedures and methods that Steamatic Franchises use; (2) purchasing required and authorized equipment and other items and arranging for their distribution to you from us or other suppliers; (3) advertising and marketing materials and programs; (4) employee training; and (5) administrative, bookkeeping, accounting and inventory control procedures. Such guidance and assistance may, in our sole discretion, be furnished in the form of our digital operations manual (the "Online Support Manual"); in bulletins or other written materials; through electronic media; by telephone conference; and/or meetings at our offices

or your Steamatic Franchise. We may provide you additional assistance upon your request, in our discretion. If we provide such assistance, you will be required to pay our then-current fees, plus our personnel per diem charges and travel and living expenses.

5.D ONLINE SUPPORT MANUAL

We will provide to you on our website our digital Online Support Manual. The Online Support Manual contains mandatory and suggested standards, specifications, operating procedures and rules ("System Standards") we periodically prescribe for operating a Steamatic Business and information on your other obligations under this Franchise Agreement. We may modify the Online Support Manual periodically to reflect changes in System Standards. Any such modifications we may make to the Online Support Manual will be effective upon their delivery to you, unless we specify a later effective date for a particular modification.

You agree to keep your copy of the Online Support Manual securely on your Computer System. If there is a dispute over its contents, our master copy of the Online Support Manual shall control. You agree the Online Support Manual's contents are confidential and that you will not disclose the Online Support Manual to any person other than Steamatic Franchise employees who must know its contents. You will require anyone who may have access to the Online Support Manual to sign a confidentiality agreement (the current form of which is attached to the Franchise Disclosure Document in Exhibit H).

You agree to monitor and access our website or extranet for any updates to the Online Support Manual or System Standards. Any passwords or other digital identifications necessary to access the Online Support Manual on our website or extranet will be deemed part of Confidential Information (defined in Section 7 below).

You acknowledge that your compliance with the Online Support Manual is vitally important to us and other System franchisees and is necessary to protect our reputation and the goodwill of the Marks and to maintain the uniform quality of operation throughout the System. However, while the Online Support Manual is designed to protect our reputation and the goodwill of the Marks, it is not designed to control the day-to-day operation of the Steamatic Business.

5.E DELEGATION OF PERFORMANCE

You agree we have the right to delegate to third-party designees, whether these designees are our agents or independent contractors with whom we have contracted: (1) the performance of any portion or all of our obligations under this Franchise Agreement; and (2) any right that we have under this Franchise Agreement. If we do so, such third-party designees will be obligated to perform the delegated functions for you in compliance with this Franchise Agreement.

5.F STAFFING

You must hire and supervise efficient, competent and courteous persons as your employees for the operation of your Steamatic Franchise. You must require all your employees to work in clean uniforms approved by us but furnished at your cost or the employees' cost as you may determine. You understand and acknowledge it is your responsibility to hire and supervise a satisfactory number of employees in order to efficiently operate the Steamatic Business and meet your obligations under this Franchise Agreement. No employee of yours will be deemed to be an employee of ours for any purpose whatsoever. You agree to inform each of your employees that you alone are their employer and that we are not. At no time will you or your employees be deemed to be our employees. You alone are responsible for all employment decisions and functions of your Steamatic Business, including, without

limitation, those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision and discipline of employees, regardless of whether you have received advice from us on these subjects or not. We will have no liability for any action or settlement related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision and discipline of employees, and you agree to indemnify us for any such liabilities we incur. You agree that any direction you receive from us regarding employment policies should be considered as examples, that you are responsible for establishing and implementing your own policies, and that you understand that you should do so in consultation with local legal counsel well-versed in employment law. Your employees hired to work for you will be your employees alone and will not, for any purpose, be deemed our employees or subject to our control, including with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency. You and we will file our own tax, regulatory and payroll reports and be responsible for all employee benefits and workers' compensation payments with respect to our respective employees and operations, and we will save and indemnify one another from any liability of any nature whatsoever by virtue thereof.

6. INTELLECTUAL PROPERTY

6.A OWNERSHIP AND GOODWILL OF MARKS

Your right to use the Marks is derived only from this Franchise Agreement and limited to your operating the Steamatic Franchise according to this Franchise Agreement and all System Standards we prescribe during its term. Your unauthorized use of the Marks is a breach of this Franchise Agreement and infringes our rights in the Marks. You acknowledge and agree that any unauthorized use of the Marks will cause us irreparable harm for which there is no adequate remedy at law and will entitle us to injunctive relief. You acknowledge and agree your use of the Marks and any goodwill established by that use are exclusively for our benefit and this Franchise Agreement confers no goodwill or other interests in the Marks upon you (other than the right to operate the Steamatic Franchise under this Franchise Agreement). All provisions of this Franchise Agreement relating to the Marks apply to any additional proprietary trade and service marks we authorize you to use. You may not at any time during or after this Franchise Agreement's term contest or assist any other person in contesting the validity or our ownership of the Marks.

6.B LIMITATIONS ON YOUR USE OF MARKS

You agree to use the Marks as the Steamatic Franchise's sole identification, except you agree to identify yourself as its independent owner and operator in the manner we prescribe. You have no right to sublicense or assign your right to use the Marks. You may not use any Mark: (1) as part of any corporate or legal business name; (2) with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos we have licensed to you); (3) in selling any unauthorized services or products; or (4) in any other manner we have not expressly authorized in writing. You may not use any Mark as part of any domain name, homepage, electronic address, social media website, crowdfunding campaign or blog, or otherwise in connection with a website without our prior written consent, which we may withhold in our sole discretion, and then only on the terms we specify.

You may not use any Mark in advertising the transfer, sale or other disposition of the Steamatic Franchise or an ownership interest in you without our prior written consent, which we will not unreasonably withhold. You agree to display the Marks prominently as we prescribe on the Vehicle(s), and any additional equipment and on forms, advertising, supplies and other materials we designate. You

agree to give the notices of trade and service mark registrations we specify and to obtain any fictitious or assumed name registrations required under applicable law.

6.C NOTIFICATION OF INFRINGEMENTS AND CLAIMS

You agree to notify us within three days: (i) if you learn that any party is using the Marks or a trademark that is confusingly similar to the Marks; (ii) of any apparent infringement or challenge to your use of any Mark; or (iii) of any person's claim of any rights in any Mark, and not to communicate with any person other than us, our attorneys and your attorneys regarding any infringement, challenge or claim. Upon receipt of timely notice of action, claim or demand against you related to any Mark, we shall have the sole right, but not the duty, to defend any such action. We may take the action we deem appropriate (including no action) and exclusively control any litigation, U.S. Patent and Trademark Office proceeding or other administrative proceeding arising from any infringement, challenge or claim, or otherwise concerning any Mark. If we, in our sole discretion, determine you have used the Marks in accordance with this Franchise Agreement, we will pay for such defense, including the cost of any judgment or settlement. In any defense or prosecution of any litigation related to any Mark, you shall cooperate with us. You agree to sign any documents and take any other reasonable action that, in the opinion of our attorneys, are necessary or advisable to protect and maintain our interests in any litigation or Patent and Trademark Office or other proceeding or otherwise to protect and maintain our interests in the Marks. At our option, you will join in any action and, so long as we determine that your use of the Marks was in compliance with this Franchise Agreement, we shall reimburse you for any costs that you incur in joining the action. Any recovery will first go towards reimbursing us for any expenses that we incurred and the remainder, if any, will be split equally between us.

6.D DISCONTINUANCE OF USE OF MARKS

If, in our sole discretion, it becomes advisable at any time for us and/or you to modify or discontinue using any Mark and/or to use one or more additional or substitute trade or service marks, you agree to comply with our directions to modify or otherwise discontinue the use of such Mark within a reasonable time after receiving notice. We will not reimburse you for your direct expenses in modifying or discontinuing the use of a Mark and substituting a different trademark or service mark. We need not reimburse you for any loss of goodwill associated with any modified or discontinued Mark, or for your expenses of promoting a modified or substitute trademark or service mark.

Our rights in this Section 6 apply to any and all of the Marks (and any portion of any Mark) we authorize you to use in this Franchise Agreement. We may exercise these rights at any time and for any reason, business or otherwise, in our sole discretion. You acknowledge both our right to take this action and your obligation to comply with our directions.

6.E COPYRIGHTED MATERIALS

You acknowledge and agree that:

(1) All right, title and interest in and to all materials, including, but not limited to, all artwork and designs created by us and used with the Marks or in association with the Steamatic Franchise ("Copyrighted Works") is our property.

(2) You shall not dispute, contest or challenge, directly or indirectly, the validity or enforceability of the Copyrighted Works or our ownership of the Copyrighted Works, nor counsel, procure or assist anyone else to do the same, nor will you take any action inconsistent with our ownership of the Copyrighted Works, nor will you represent that you have any right,

title or interest in the Copyrighted Works other than those expressly granted by this Franchise Agreement.

(3) We may, in our sole and absolute discretion, apply to register or register any copyrights or patents with respect to the services and products associated with the System and the Copyrighted Works. Our failure to obtain or maintain in effect any such application or registration is not a breach of this Franchise Agreement. You shall not, before or after termination or expiration of the Franchise Agreement, register or apply to register any Copyrighted Works anywhere in the world.

(4) Upon our request, you shall cooperate fully, both before and after termination or expiration of this Franchise Agreement and at our expense, in confirming, perfecting, preserving and enforcing our rights in the Copyrighted Works, including, but not limited to, executing and delivering to us such documents as we reasonably request for any such purpose, including, but not limited to, assignments, powers of attorney and copies of commercial documents showing sale and advertising of the services and products associated with the System. You hereby irrevocably appoint us as your attorney-in-fact for the purpose of executing such documents.

(5) We make no representation or warranty, express or implied, as to the use, exclusive ownership, validity or enforceability of the Copyrighted Works.

(6) You acknowledge and authorize us to use your likeness in a photograph in any and all of our publications, including printed and digital publications and on websites. You agree and understand that any photograph using your likeness will become our property and will not be returned. You agree and irrevocably authorize us to edit, alter, copy, exhibit, publish or distribute any photograph of you for any lawful purpose. You agree and waive any rights to royalties or any other compensation related to our use of any photograph of you. You agree to hold harmless and forever discharge us from all claims, demands and causes of action which you may have in connection with this authorization.

6.F IMPROVEMENTS

During the Initial Term or any Interim Period, any improvements or additions to the System, Copyrighted Works, website or any other documents or information pertaining to or relating to the System or the Steamatic Franchise, or any new trade names, trade and service marks, logos or commercial symbols related to the Steamatic Franchise, or any advertising and promotional ideas or inventions related to the Steamatic Franchise (collectively, the "Improvements") that you conceive or develop shall become our property. You agree to assign and do hereby assign to us, all right, title and interest in and to the Improvements, including the right to grant sublicenses to any such Improvement. You shall fully disclose the Improvements to us without disclosure of the Improvements to others and shall obtain our written approval prior to using such Improvements. Any such Improvement may be used by us and all other Steamatic Franchisees without any obligation to you for royalties or other fees. We may, at our discretion, apply for and own copyrights, patents, trade names, trademarks and service marks relating to any such Improvement and you shall cooperate with us in securing such rights. We may also consider such Improvements as our property and trade secrets. In return, we shall authorize you to utilize any Improvement that may be developed by other franchisees and is authorized generally for use by other franchisees. All Improvements created by you or any other person or entity retained or employed by you are our property, and we shall be entitled to use and license others to use such Improvements unencumbered by moral rights. If any of the Improvements are copyrightable materials, they shall be works made for hire within the meaning of the United States Copyright Act and, to the extent the Copyrighted Works are not works made for hire or rights in the Copyrighted Works do not automatically

accrue to us, you irrevocably assign and agree to assign to us, our successors and assigns the entire right, title and interest in perpetuity throughout the world in and to any and all rights, including all copyrights and related rights, in such Copyrighted Works which you and the author of such Copyrighted Works warrant and represent as being created by and wholly original with the author. Where applicable, you agree to obtain any other assignments of rights in the Improvements from another person or entity necessary to ensure our right in the Improvements as required in this Section.

7. CONFIDENTIAL INFORMATION

7.A STEAMATIC CONFIDENTIAL INFORMATION

We possess (and will continue to develop and acquire) certain confidential information, some of which constitutes trade secrets under applicable law (the "Confidential Information") relating to developing and operating Steamatic Franchises, including (without limitation):

(1) Territory selection criteria;

(2) policy materials, the Online Support Manual and any other operations manuals;

(3) training and operations materials and manuals;

(4) methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge and experience used in developing and operating Steamatic Franchises;

(5) marketing and advertising programs for Steamatic Franchises;

(6) knowledge of, specifications for, and suppliers of assets and other products and supplies;

(7) any computer software or similar technology proprietary to us or the System, including, without limitation, digital passwords and identifications, and any source code of and data, reports and other printed materials generated by the software or similar technology;

(8) accounting procedures;

(9) knowledge of the operating results and financial performance of Steamatic Franchises other than the Steamatic Franchise; and

(10) all customer data, lists, Customer Lists and other information generated by Steamatic Franchises.

We will disclose the Confidential Information to you in our training programs, the Online Support Manual, and in guidance we provide to you from time to time.

Confidential Information does not include information, knowledge or know-how which you can demonstrate lawfully came to your attention before we provided it to you directly or indirectly, which, when we disclosed it to you, already had lawfully become generally known in the restoration and cleaning services industry through publication or communication by others (without violating an obligation to us); or which, after we disclose it to you, lawfully becomes generally known in the restoration and cleaning services industry through publication or communication by others (without violating an obligation to us).

However, if we include any matter in Confidential Information, anyone who claims it is not Confidential Information must prove that one of the exclusions in this paragraph is fulfilled.

You, or if you are an Entity, your Operating Principal, your owners and, if applicable, your Designated Manager must sign a written agreement in the form attached to the Franchise Disclosure Document in Exhibit H to maintain confidential our Confidential Information described in Sections 7 and 16.

7.B RESTRICTIONS ON CONFIDENTIAL INFORMATION

You acknowledge and agree that you will not acquire any interest in the Confidential Information other than the right to use it as we specify in operating the Steamatic Franchise during the term of this Franchise Agreement, and that the Confidential Information is proprietary, includes our trade secrets, and is disclosed to you only on the condition that you agree, and you in fact do agree, that you:

(1) will not use the Confidential Information in any other business or capacity;

(2) will keep each item deemed part of the Confidential Information absolutely confidential, both during this Franchise Agreement's term and then thereafter for as long as the item is not generally known in the restoration and cleaning services industry;

(3) will not make unauthorized copies of any Confidential Information disclosed via electronic medium or in written or other tangible form, including, without limitation, the Online Support Manual; and

(4) will adopt and implement reasonable procedures to prevent unauthorized use or disclosure of the Confidential Information, including, without limitation, restricting its disclosure to Steamatic Business personnel and others, and using non-disclosure and non-competition agreements with those having access to the Confidential Information. We have the right to regulate the form of agreements you use and to be a third-party beneficiary of those agreements with independent enforcement rights. You agree to provide us with information that we may reasonably require with respect to data and cybersecurity requirements. You agree to indemnify us for any loss of data, including, but not limited to, customer information resulting from a breach of such data caused in whole or in part by your acts or negligence.

Notwithstanding the foregoing, the restrictions on the disclosure and use of the Confidential Information will not apply to disclosure of Confidential Information: (i) made in confidence to a government official, either directly or indirectly, or to an attorney solely for the purpose of reporting or investigating a suspected violation of law; (ii) made in a complaint or other document filed in a lawsuit or other proceeding if such filing is made under seal; (iii) made in cases of suit for retaliation based on the reporting of a suspected violation of law, disclosure of Confidential Information to an attorney and for use of the Confidential Information in such court proceeding, so long as any document containing the Confidential Information is filed under seal and Confidential Information is not otherwise disclosed except pursuant to court order.

8. EXCLUSIVE RELATIONSHIP

You acknowledge that we have granted you the Steamatic Franchise in consideration of and reliance upon your agreement to deal exclusively with us. You therefore agree that, during this Franchise Agreement's term, neither you, any of your owners, nor any of your or your owners' spouses or other immediate family members will:

(1) have any direct or indirect controlling or non-controlling interest as an owner, whether of record, beneficially or otherwise, in a Competitive Business (as defined below), wherever located or operating (except that equity ownership of less than two percent (2%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this subparagraph);

(2) perform services as a director, officer, manager, employee, consultant, representative or agent for a Competitive Business, wherever located or operating;

(3) divert or attempt to divert any actual or potential business or customer of the Steamatic Business to a Competitive Business; or

(4) engage in any other activity which may injure the goodwill of the Marks and/or the System. You may not interfere with our or our other franchisees' Steamatic Franchises.

The term "Competitive Business" means: (i) any business which provides restoration and cleaning services or any similar products and/or services; or (ii) any business granting franchises or licenses to others to operate the type of business specified in subparagraph (i); provided that a Steamatic Franchise operated under a franchise agreement shall not be deemed a Competitive Business.

You agree to obtain similar covenants from the personnel we specify, including officers, directors, managers and other employees attending our training program or having access to Confidential Information. We have the right to regulate the form of agreement you use and to be a third-party beneficiary of that agreement with independent enforcement rights.

9. SYSTEM STANDARDS

9.A CONDITION AND APPEARANCE OF THE STEAMATIC FRANCHISE

You agree that:

(1) you will maintain and refurbish the condition and appearance of the Steamatic Franchise, including the Vehicle(s) and any additional equipment in accordance with System Standards and consistent with the image of a Steamatic Franchise as an efficiently operated business offering high quality services and products and observing the highest standards of cleanliness, sanitation, efficient and courteous service, and pleasant ambiance, and in that connection will take, without limitation, the following actions during the term of this Franchise Agreement: (a) thoroughly clean, repaint and redecorate the interior and exterior of the Vehicle(s) and any additional equipment at intervals we prescribe; (b) repair the interior and exterior of the Vehicle(s) and any additional equipment; and (c) repair or replace damaged, worn out or obsolete assets used in the operation of the Steamatic Franchise;

(2) you will place or display on the Vehicle(s) and any additional equipment only those signs, emblems, designs, artwork, lettering, logos and display and advertising materials we from time to time approve;

(3) if at any time, in our reasonable judgment, the general state of repair, appearance or cleanliness of the Vehicle(s) and any additional equipment of the Steamatic Franchise or its fixtures, furnishings, equipment, assets or signs does not meet our standards, we have the right to notify you, specifying the action you must take to correct the deficiency and which deficiency must be corrected at your sole expense.

(4) at our request, you will periodically improve and modify the Vehicle(s) and any additional equipment to conform to the then-current System Standards.

9.B STANDARDS ON SERVICES AND PRODUCTS OFFERED

You agree that:

(1) the Steamatic Franchise will offer the services and products we specify from time to time;

(2) the Steamatic Franchise will offer and sell services and products only by means of, and only at, the Vehicle(s) and any additional equipment and/or in the manner we have prescribed;

(3) you will not offer for sale or sell any products or services we have not approved; and

(4) you will discontinue selling and offering for sale any services or products we at any time decide (in our sole discretion) to disapprove in writing.

9.C CUSTOMER INFORMATION

We may contact any customer of any Steamatic Franchise at any time for any purpose. Also, if a customer or other patron of the Steamatic Franchise who wishes to lodge a complaint contacts us, we reserve the right to address the person's complaint to preserve goodwill and prevent damage to the brand. After consulting with you, our right to address complaints may include refunding money or providing a gift card or other value to the complaining person, in which case you must reimburse us for these amounts and any administrative costs in responding to the complaint. We, or our authorized representative, shall have the right during regular business hours or at such other times as may be mutually agreed upon by you and us, to inspect all Customer Lists and documents and records related thereto. All data that you collect, create, provide or otherwise develop, including, but not limited to, customer information is and will be owned exclusively by us, and we will have the right to use such data in any manner that we deem appropriate without compensation to you. Upon reasonable request, you must furnish to us, in whatever format we require, all customer information and records for the Steamatic Franchise.

9.D APPROVED PRODUCTS, DISTRIBUTORS, AND SUPPLIERS

We will supply you with certain equipment, chemicals and patents owned by or supplied by us for your Steamatic Business, which currently includes the following proprietary chemicals and substances utilized by us, as we may modify periodically (together, the "Chemicals"): All Purpose; Aquasol, Aromatic, Desudser, Dry Solvent, Enviro – Klean, Exxpert 828, Glass Cleaner, Hex Lo, LinAire Liquid

Spray, LinAire Gel - O.C.A.D. - 5 pounds, Linset Duct Seal, Reodorant, Spotting Kit, Vinyl/Leather Treatment, Coil Cleaner, White Emulsifier, Cleaner/Neutralizer and PLE-65. You acknowledge and agree that the design, makeup, contents and assembly of the Chemicals contains valuable confidential information, and you and each of your Owners agree not to permit disassembly, testing, reverse engineering or inspection of the Chemicals or any equipment for use in the Steamatic Business other than as may be required for its intended operation, use or maintenance. You further acknowledge that together with the Chemicals, we may develop additional equipment, chemicals and patents and that such items shall be considered Confidential Information as defined in Section 7 above and subject to all restrictions.

We may designate ourselves and/or any of our affiliates as the approved distributor or supplier, or we may designate a single distributor or supplier for any product, service, equipment, supply, inventory or material, and may approve a supplier or distributor only as to certain products, including your Computer System and the Chemicals. You must provide us with any data relating to your Steamatic Franchise we may request.

We may concentrate purchases with one or more suppliers or distributors to obtain lower prices or the best advertising support or services. Approval of a supplier or distributor may be conditioned on requirements relating to product quality, prices, consistency, reliability, financial capability, labor relations, customer relations, frequency of delivery, concentration of purchases, standards of service, including prompt attention to complaints, or other criteria, and may be temporary, pending our continued evaluation of the supplier or distributor from time to time. You acknowledge and agree that we and/or our affiliates may derive revenue based on your purchases and leases (including, without limitation, from charging you for services and products we or our affiliates provide to you and from payments made to us or our affiliates by suppliers we designate or approve for some or all of our franchisees).

If you want to use or sell a product or service that we have not yet evaluated, or if you want to purchase or lease a product or service from a supplier or provider that we have not yet approved (for services and products that require supplier approval), you must notify us and submit to us the information, specifications and samples we request. We reserve the right to require that any approved supplier name you and us as insureds and maintain appropriate insurance coverage in our sole discretion. If a product to be supplied will bear our name or Marks, we reserve the right to require the supplier to sign a license agreement and pay us a license fee. The supplier may also be required to sign a supplier agreement with us. We may limit the number of approved suppliers. You must pay the laboratory that conducts the testing directly for the expenses of evaluating a proposed new vendor or supplier and/or its product nominated by you. We will notify you within 60 days after receiving all requested information and materials whether you are authorized to purchase or lease the product or service or to purchase or lease the product or service from that supplier or provider. We have the right to inspect the proposed supplier's or distributor's facilities and to require product samples from the proposed supplier or distributor to be delivered at our option either directly to us or to any independent, certified laboratory which we designate for testing. We reserve the right to periodically re-inspect the facilities and products of any approved supplier or distributor and to revoke our approval at any time if we determine, in our discretion, that the supplier, distributor, product or service does not continue to meet our standards. We will send written notice of any revocation of an approved supplier, product or service. When you receive written notice of a revocation, you must stop selling any disapproved products and stop purchasing from any disapproved supplier.

9.E COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES

You must secure and maintain in force all required licenses, permits and certificates relating to the operation of your Steamatic Franchise and must at all times operate your Steamatic Franchise in full compliance with all applicable laws, ordinances and regulations (including, without limitation,

government regulations relating to truth-in-lending, Department of Transportation regulations, safety and sanitation, truth in advertising, occupational hazards, health laws relating to non-discrimination in hiring and accessibility, worker's compensation, and unemployment insurance). You must withhold and pay all applicable federal and state taxes, social security taxes, and sales and service taxes. All advertising and promotion by you must be completely factual and must conform to the highest standards of ethical advertising. The Steamatic Business must in all dealings with its customers, suppliers, us and the public adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You agree to refrain from any business or advertising practice which may be injurious to our Franchise System and the goodwill associated with the Marks and other Steamatic Businesses. You must notify us in writing within five days of the threat of or commencement of any action, suit or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality which may adversely affect your operation or financial condition or that of your Steamatic Franchise and of any notice of violation of any law, ordinance or regulation relating to your Steamatic Franchise. You agree to comply with all applicable international, federal, state and local laws pertaining to the privacy of customer, employee and transactional information ("Privacy Laws"). You agree to research and proactively ensure that your Steamatic Business is in compliance with Privacy Laws, which may vary depending on the location of your Franchised Business. You also agree to comply with our standards and policies pertaining to Privacy Laws. If there is a conflict between our standards and policies pertaining to Privacy Laws and actual applicable law, you will: (a) comply with the requirements of applicable law; (b) immediately give us written notice of said conflict; and (c) promptly and fully cooperate with us and our counsel in determining the most effective way, if any, to meet our standards and policies pertaining to Privacy Laws within the bounds of applicable law. You agree not to publish, disseminate, implement, revise or rescind a data privacy policy without our prior written consent as to said policy. You must notify us in writing within five days of the threat of or commencement of any action, suit or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality which may adversely affect your operation or financial condition or that of the Steamatic Franchise and of any notice of violation of any law, ordinance or regulation relating to the Steamatic Franchise.

9.F MANAGEMENT OF THE STEAMATIC FRANCHISE

The Steamatic Franchise shall either be directly operated by you, or if you are an Entity, by an Operating Principal acceptable to us, or you may designate a manager ("Designated Manager") who has been approved by us. The Designated Manager will have day-to-day responsibility for the Steamatic Franchise's operations and may be you (if you are an individual) or an owner, officer, director or employee of yours (if you are other than an individual). The Operating Principal must have the authority and responsibility for the day-to-day operations of your Steamatic Business and must have at least fifty percent (50%) equity interest. The Designated Manager shall have similar responsibilities as an Operating Principal. We may require that the Designated Manager have an ownership interest in the legal entity of the Franchise owner. You must deliver to us an amended Attachment A accurately identifying the Designated Manager. The Designated Manager will be obligated to devote his or her full-time, best efforts and constant personal attention to the Steamatic Franchise's operations and must have full authority from you to comply with this Franchise Agreement. You must not hire any Designated Manager or successor Designated Manager without first receiving our written approval of such Designated Manager's qualifications. You or your Operating Principal and the Designated Manager, if any, must attend and successfully complete to our satisfaction our Initial Training Program (as detailed in Section 5 of this Franchise Agreement), and sign a System Protection Agreement and Confidentiality Agreement, the current forms of which are attached to the Franchise Disclosure Document in Exhibit H. You must forward to us a copy of each such signed agreement. If we determine, in our sole discretion, during or following completion of the Initial Training Program, that your Designated Manager (if any) is not qualified to act as Designated Manager of the Steamatic Franchise, then we have the right to require

you to choose (and obtain our approval of) a new individual for that position. If you are required to appoint a new Designated Manager, you must do so within 30 days of the termination of the previous Designated Manager. If you replace your Operating Principal or Designated Manager, the new Operating Principal or Designated Manager must satisfactorily complete our training program at your own expense.

You must also obtain a background check of all employees who may be asked to enter into a customer's premises or deal with a customer of the Steamatic Business.

9.G INSURANCE

Franchisee shall procure, maintain and provide evidence of insurance as follows:

(1) commercial general liability coverage containing minimum liability coverage of $1,000,000 per occurrence for bodily injury, property damage and personal injury; minimum liability coverage of $2,000,000 general aggregate; $2,000,000 products/completed operation aggregate; and umbrella or follow-form excess liability coverage of an additional $1,000,000 per occurrence/$1,000,000 aggregate;

(2) business interruption insurance for a period adequate to re-establish normal business operations;

(3) pollution coverage of $1,000,000 per occurrence/$2,000,000 aggregate;

(4) liability coverage of owned, hired and non-owned automobiles under one or more policies of insurance containing minimum liability coverage of $1,000,000 combined limit;

(5) professional liability coverage of $1,000,000 each occurrence;

(6) workers' compensation coverage of $500,000 or higher amount required by statute or rule in the state in which your Steamatic Business is located;

(7) automobile coverage for any Vehicles used in the Steamatic Business of $1,000,000 per occurrence;

(8) underinsured or uninsured coverage that satisfies state requirements in the state(s) in which you operate your Vehicle(s);

(9) any other insurance that may be required by statute or rule in the state(s) in which your Steamatic Business is located; and

(10) any other insurance that we may require in the future or that may be required according to the terms of your lease (if applicable).

All of these policies must contain the minimum coverage we periodically prescribe in our Online Support Manual or other written communications to you; provided, however, that if our minimum liability coverage amounts do not reflect the actual needs of your Steamatic Business, you must obtain and maintain higher coverage amounts as necessary, and must have deductibles not to exceed the amounts we specify.

If your state requires higher coverages than we prescribe, you will be required to obtain insurance that satisfies your state law requirements. We may periodically increase the amounts of coverage

required under these insurance policies and/or require different or additional insurance coverage (including reasonable excess liability insurance) at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances as provided in our Online Support Manual, as amended from time to time.

These insurance policies must be purchased from an insurance company approved by us, as we require only A.M. Best & Company, Inc. "A" or better rated carriers, must be in accordance with the standards and specifications set forth in the Online Support Manual or otherwise in writing, and must name us and any affiliates we designate as additional named insureds and provide for 30 days' prior written notice to us of a policy's modification, cancellation or expiration.

You may not reduce the policy limits, restrict coverage, cancel, or otherwise alter or amend any insurance policy without our prior written consent. You must promptly report all claims or potential claims against you or us to the insurer and to us. Each insurance policy must contain a waiver of all subrogation rights against us, our affiliates and their successors and assigns.

You annually must furnish us copies of your certificates of insurance or other evidence of your maintaining this insurance coverage and paying premiums. If you fail or refuse to obtain and maintain the insurance we specify, in addition to our other remedies, we may (but need not) obtain such insurance for you and your Steamatic Business on your behalf, in which event you shall cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a fee of twenty percent (20%) for the administrative cost of obtaining such insurance.

You will be required to perform annual background checks on all employees who enter the homes or businesses of your customers and follow other instructions provided on the Online Support Manual and other operational, marketing and training materials that we provide.

9.H PRICING

We may, from time to time, make suggestions to you regarding your pricing policies in compliance with applicable laws. We retain the right to establish minimum and maximum prices to be charged by you, subject to applicable laws, but any exercise of that right will be specifically set forth in writing. It is furthermore understood and agreed that any list or schedule of prices furnished to you by us may, unless otherwise specifically stated as to the minimum or maximum price, be treated as a recommendation only, and failure to accept or implement any such suggestion may not in any way affect the relationship between you and us.

9.I COMPLIANCE WITH SYSTEM STANDARDS

You acknowledge and agree that operating and maintaining the Steamatic Franchise according to System Standards is essential to preserve the goodwill of the Marks and all Steamatic Franchises. You agree at all times to operate and maintain the Steamatic Franchise according to all of our System Standards, as we periodically modify and supplement them, even if you believe that a System Standard as originally issued or subsequently modified is not in the System's or your best interests. Although we retain the right to establish and periodically modify System Standards you have agreed to maintain, you retain the right to and responsibility for the day-to-day management and operation of the Steamatic Franchise and implementing and maintaining System Standards at the Steamatic Franchise.

As examples, and without limitation, System Standards may regulate any one or more of the following, in addition to the items described in Sections 9A through 9I above:

(1) amounts and types of equipment and inventory requirements for products and supplies so the Steamatic Franchise may operate at full capacity;

(2) terms and conditions of the sale and delivery of, and terms and methods of payment for, services and products you obtain from us and affiliated and unaffiliated suppliers, and our affiliates' right not to sell you any products or to provide services, or to do so only on a "cash on delivery" or other basis, if you are in default under any agreement with us;

(3) sales, marketing, advertising and promotional programs and materials and media used in these programs;

(4) use and display of the Marks for the Steamatic Business and on labels, forms, paper, products and other supplies;

(5) staffing levels for the Steamatic Franchise, identifying the Steamatic Franchise personnel, and employee qualifications, training, dress and appearance (although you have sole responsibility and authority concerning employee selection and promotion, hours worked, rates of pay and other benefits, work assigned and working conditions);

(6) days and hours of operation (not less than Monday through Friday, 8 a.m. to 5 p.m.);

(7) inspections of Vehicle(s);

(8) participation in market research and testing, service and product development programs, and participation in and dues assessed for advisory councils;

(9) accepting all credit and debit cards that we determine, other payment systems, Steamatic gift cards and loyalty cards, credit and check verification services and compliance programs and systems relating to the same. You agree to maintain relationships with credit and debit card issuers or sponsors we may periodically designate, and you agree to comply with then-current Payment Card Industry Data Security Standards or similar standards that we may reasonably specify;

(10) bookkeeping, accounting, data processing and recordkeeping systems and forms; formats, content and frequency of reports to us of sales, revenue, financial performance and condition; and giving us copies of tax returns and other operating and financial information concerning the Steamatic Business; and

(11) any other aspects of operating and maintaining the Steamatic Franchise we determine to be useful to preserve or enhance the efficient operation, image or goodwill of the Marks and patents and Steamatic Franchise. You agree that System Standards we prescribe in the Online Support Manual or otherwise communicate to you in writing or another tangible form (for example, via a System extranet or website), are part of this Franchise Agreement as if fully set forth within its text. All references to this Franchise Agreement include all System Standards as periodically modified.

9.J MODIFICATION OF SYSTEM STANDARDS

We periodically may modify System Standards, and these modifications may obligate you to invest additional capital in the Steamatic Business and/or incur higher operating expenses. You agree to implement any changes in System Standards within the time period we request, whether they involve refurbishing or remodeling the Vehicle(s) and any additional equipment or any other aspect of the Steamatic Business, buying new equipment and/or assets, adding new services and products, adding personnel, or otherwise modifying your operations as if they were part of this Franchise Agreement as of the Effective Date.

Because complete and detailed uniformity under many varying conditions may not be possible or practical, you acknowledge that we specifically reserve the right and privilege, as we consider best, in our sole discretion, to modify System Standards for any franchise owner based upon circumstances we consider important to promote that franchise owner's, or the System's, successful operation. We may choose not to authorize similar variations or accommodations to you or other franchisees and are not required to do so.

10. MARKETING

10.A BRAND FUND CONTRIBUTIONS

Recognizing the value of advertising and marketing to the goodwill and public image of Steamatic Businesses, we reserve the right to establish a fund (the "Brand Fund") for advertising, marketing and public relations programs and materials we deem appropriate. You agree to contribute two percent (2%) of your Gross Revenue each month to the Brand Fund ("Brand Fund Contribution") once the Brand Fund is established. We reserve the right to increase the Brand Fund Contribution to up to three percent (3%) of Gross Revenue if approved by sixty-five percent (65%) of the then-existing Steamatic franchisees. After the Brand Fund is established, Brand Fund Contributions will be due at the same time as Royalties (by the tenth day of each calendar month for the previous month), or at such other date we choose, as may be more fully set forth in the Online Support Manual. Steamatic Businesses owned by us will contribute to the Brand Fund on the same basis as franchisees. We have the right to periodically specify (in the Online Support Manual or otherwise in writing) different payment methods such as, but not limited to, weekly or monthly payment, payment by auto-draft, credit card, and payment by check for the Brand Fund Contribution.

10.B USE OF ADVERTISING AND MARKETING FUNDS

(1) The following provisions apply to the Brand Fund:

(a) We will direct all programs that the Brand Fund finances, with sole control over the creative concepts, materials and endorsements used and their geographic, market and media placement and allocation.

(b) We will account for the Brand Fund separately from our other funds and not use the Brand Fund for our general operating expenses.

(c) We do not have any fiduciary obligation for administering the Brand Fund. We have complete discretion on how the Brand Fund will be utilized. The Brand Fund may spend in any fiscal year more or less than the total Brand Fund Contribution payments in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. Any unused funds in any calendar year will

be applied to the following year's funds. We will use all interest earned on Brand Fund Contribution payments to pay costs before using the Brand Fund's other assets.

(d) The Brand Fund is not audited. We will prepare an annual, unaudited statement of Brand Fund collections and expenses and give you the statement within 45 days upon the receipt of a written request. We may incorporate the Brand Fund or operate each through a separate entity whenever we deem appropriate. The successor entity will have all of the rights and duties specified in this Section 10.

(e) We have the right, but no obligation, to use collection agents and institute legal proceedings to collect Brand Fund payments at the Brand Fund's expense. We also may forgive, waive, settle and compromise all claims by or against the Brand Fund. Except as expressly provided in this Section 10, we assume no direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing or administering the Brand Fund.

(f) We may defer or reduce any Steamatic Franchisee's required payments to the Brand Fund and, upon 30 days' prior written notice to you, reduce or suspend Brand Fund payments and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Brand Fund. If we terminate the Brand Fund, we will distribute all unspent monies to our franchise owners and to us and our affiliates in proportion to their and our respective Brand Fund payments during the preceding 12-month period.

(g) The Brand Fund may pay for preparing and producing video, audio and written materials and electronic media; developing, implementing and maintaining websites that promote Steamatic Franchises and/or related strategies; administering national, regional and local marketing and advertising programs including, without limitation, purchasing trade journal, direct mail and other media advertising, and using advertising, promotion and marketing agencies and other advisors to provide assistance; and supporting public relations, market research and other advertising, promotion and marketing activities.

(h) We may use the Brand Fund to pay the reasonable salaries and benefits of personnel who manage and administer the Brand Fund, the Brand Fund's other administrative costs, travel expenses of personnel while they are on Brand Fund business, meeting costs, overhead relating to Brand Fund business, and other expenses we incur in activities reasonably related to administering or directing the Brand Fund and its programs, including, without limitation, conducting market research, public relations, preparing advertising, promotion, and marketing materials, and collecting and accounting for Brand Fund payments.

(i) We intend the Brand Fund to maximize recognition of the Marks and patronage of Steamatic Businesses. Although we will try to use the Brand Fund to develop advertising and marketing materials and programs and to place advertising and marketing that will benefit all Steamatic Businesses, we cannot ensure that Brand Fund expenditures in or affecting any geographic area are proportionate or equivalent to Brand Fund payments by contributors operating in that geographic area or that any contributor benefits directly or in proportion to its Brand Fund payment from the development of advertising and marketing materials or the placement of advertising and marketing.

(j) You understand and acknowledge that your Steamatic Franchise may not benefit directly or in proportion to its payment to the Brand Fund from the development and placement of advertising and development of marketing materials.

10.C LOCAL ADVERTISING

In addition to your agreement to pay the Brand Fund Contribution after the Brand Fund is implemented as described in Section 10.A, beginning seven months from the Opening Date, you agree to spend an average of five percent (5%) of your monthly Gross Revenue to advertise and promote your Steamatic Business locally ("Local Advertising Requirement"). We will measure your compliance with this requirement on a rolling three-month basis, meaning that as long as your average monthly expenditure on local advertising over the three-month period equals or exceeds the minimum monthly amount that we specify, you will be deemed in compliance even if your expenditure in any given month is less than the minimum monthly amount that we specify. If you fail to spend your required Local Advertising Requirement in any month, you must pay to us the difference between the amount you spent and the required advertising expenditure, which amount will be contributed to the Brand Fund, if established, and payable within five days after receipt of invoice. You agree, at your sole cost and expense, to issue and offer such rebates, giveaways and other promotions in accordance with advertising programs established by us, and further agree to honor the rebates, giveaways and other promotions issued by other Steamatic franchisees under any such program, so long as such compliance does not contravene any applicable law, rule or regulation. You will not create or issue any gift cards/ certificates and will only sell gift cards/ certificates that have been issued or sponsored by us and which are accepted at all Steamatic Businesses, and you will not issue coupons or discounts of any type except as approved by us. Subject to applicable laws, we have the right to establish and conduct promotional or discount campaigns on a national, multi-area or regional basis, which may by way of illustration and not limitation promote particular products or marketing themes. You agree, subject to applicable laws, to participate in any promotional or discount campaigns upon the terms and conditions we establish, including minimum and maximum price policies minimum advertised price policies and unilateral price policies.

We will deliver marketing materials to you as part of the Franchise Startup Fee. You agree to order all additional sales and marketing material from us or our designated suppliers as needed or determined by us. It is a breach of the Franchise Agreement to use other marketing material without obtaining our prior written approval. Before you conduct any advertising or marketing, you must send us or our designated agency samples of your proposed materials for review. We will review your request and we will respond in writing within 30 days from the date we receive all requested information. Our failure to notify you in the specified time frame will be deemed a disapproval of your request. Use of logos, Marks and other name identification materials must follow our approved standards. You may not use our logos, Marks and other name identification materials on items to be sold or services to be provided without our prior written approval. You may not use any advertising, promotional or marketing materials we have not approved or have disapproved. You may not advertise via the Internet or a worldwide web page unless we have authorized you to do so in writing. If you use unauthorized advertising materials, you must pay us or the Brand Fund, if established, a fee of $500 per occurrence upon demand.

10.D ADVERTISING COOPERATIVES

We reserve the right to form one or more cooperative advertising associations (each, a "Cooperative") among franchisees located in a designated marketing area ("DMA") for the purpose of jointly advertising and promoting their Steamatic Businesses. Any Cooperative contributions will count toward your Local Advertising Requirement. We may require the members of a Cooperative to prepare

and operate with governing documents for a Cooperative that must be approved by Franchisor. Each Cooperative must prepare annual unaudited financial statements.

(1) Members of a Cooperative will administer the Cooperative. Advertising cooperative fees and expenditures will be established by members of the Cooperative. If we elect to form the Cooperative, or if such Cooperative already exists in the DMA, you must participate in compliance with the Online Support Manual, which Franchisor may periodically modify in its discretion. If, in connection with a Cooperative's formation, its members are unable to reach agreement with respect to any disagreement over organization, administration, "spill" policy, contribution waivers or exceptions, budget or other matters that the Cooperative members cannot resolve within 45 days, the issue will be referred to us for resolution. Our decision regarding the issue's resolution will be binding.

(2) Each franchisee in a Cooperative will contribute an amount to the Cooperative for each Steamatic Franchise that the franchisee owns that exists within the DMA. Each Steamatic Franchise owned by us that exists within a Cooperative's area will contribute to the Cooperative on the same basis as franchisees. You agree: (i) to join, participate in and actively support any Cooperative established in the Steamatic Business' DMA; and (ii) to make contributions to each Cooperative on the payment schedule adopted by the Cooperative's members and at the contribution rate we approve.

(3) We shall have the right to form, change, dissolve or modify the DMA at any time in our sole discretion.

(4) We shall have the right to form, change, dissolve or merge any Cooperative, in our sole discretion.

You understand and acknowledge that your Steamatic Business may not benefit directly or in proportion to its contribution to the cooperative from the development and placement of advertising and the development of marketing materials.

Except as otherwise expressly provided, we assume no direct or indirect liability or obligation to you with respect to the maintenance, direction or administration of the Cooperative.

10.E FRANCHISE ADVISORY COUNCIL

We currently do not have, but may form, an advisory council ("Council") to advise us on advertising policies. The Council would be governed by bylaws. Members of the Council would consist of both franchisees and corporate representatives. Members of the Council would be selected by way of a voting method specified in the Council's bylaws. The Council would serve in an advisory capacity only. We will have the power to form, change or dissolve the Council, in our sole discretion.

While there is currently no Council composed of franchisees, there is a Steamatic Advisory Council which serves in an advisory capacity on various matters, including advertising. We select the members of the Steamatic Advisory Council based on location, experience and good standing. We may dissolve, change or reform the Steamatic Advisory Council at any time.

10.F SYSTEM WEBSITE

We have established one or more websites to advertise, market and promote Steamatic Businesses and the services and products that Steamatic Businesses offer and sell (the "System Website"). We intend

that any franchisee website will be accessed only through our System Website. If you wish to advertise online, you must follow our online policy which is contained in our Online Support Manual. Our online policy may change as technology and the Internet changes. We may restrict your use of social media. We may not allow you to independently market on the Internet, or use any domain name, address, locator, link, metatag or search technique with words or symbols similar to the Marks. By providing the information to us, you will be representing to us it is accurate and not misleading and does not infringe any third party's rights. We will own all intellectual property and other rights in the System Website and all information on it and all information generated from it (including the domain name or URL, the log of "hits" by visitors, and any personal or business data that visitors supply).

For as long as we maintain a System Website, we will have the right to use the Brand Fund's assets to develop, maintain and update the System Website. We periodically may update and modify the System Website. You must promptly notify us whenever any of your information on your listing changes or is not accurate. You acknowledge that we have final approval rights of all information on the System Website. We may implement and periodically modify System Standards relating to the System Website. You may not, without our prior written approval, develop, maintain or authorize any other website that mentions or describes you or the Steamatic Franchise or displays any of the Marks. Nothing in this Section shall limit our right to maintain websites other than the System Website. We are only required to reference your Steamatic Business on the System Website while you are in full compliance with your Franchise Agreement and all System standards.

11. REPORTS

You agree to establish and maintain, at your own expense, a bookkeeping, accounting and recordkeeping system conforming to the requirements and formats we prescribe from time to time. Upon our request, you must provide to us, at your expense and in a form acceptable to us, timely financial statements we specify. All of your bookkeeping and accounting records, financial statements and all reports you submit to us must conform to the requirements described on the Online Support Manual and other operational and training materials provided by us. You agree to comply with all reporting requirements we prescribe. In order for us to provide the most timely and useful information to the Steamatic Franchise, it is essential that you collect certain information as soon as possible after the applicable accounting period closes. You agree to submit, based on the frequency we designate: (i) completed relevant worksheets; (ii) payroll changes and current hours worked; (iii) bank statements; (iv) manual check stubs with invoice copies; and (v) any other documents required to properly record all transactions affecting your Steamatic Business' financial activity. If you fail to submit Steamatic Business-related items when required under this Section, we shall have the right to terminate the Franchise Agreement as provided in Section 15B.

You agree to give us in the manner and format we prescribe from time to time:

(1) Monthly profit and loss statements for your Steamatic Business, due on or before the tenth day of each month for the previous month;

(2) Within 90 days after the end of your Steamatic Business' fiscal year, an annual statement of profit and loss for your Steamatic Business as of the end of that fiscal year, a balance sheet as of the end of the fiscal year, and a statement of cash flow for that fiscal year;

(3) by April 15th of each year a copy of the tax return for your Steamatic Business for the previous calendar year;

(4) at the end of each calendar year, you will provide two annual reports from the approved operating system showing all sales in a detailed customer format. These reports will be due no later than April 15th of the following year; and

(5) any other data, information and supporting records requested by us from time to time (including, without limitation, daily and weekly reports of product sales by category).

You or your Operating Principal must certify and sign each report and financial statement in the manner we prescribe. If you fail to provide financial reports when due or within five days of a request from us, in addition to any other remedies available to us under this Franchise Agreement, you shall incur a late fee of $20 per day until such report is provided. We may disclose or use the data derived from these reports, your year-end reports, and any other financial statements from the operation of your Steamatic Business for any purpose we deem appropriate, in our sole discretion. If we utilize your Steamatic Franchise's financial statements for disclosure in our Franchise Disclosure Document, we may be required to disclose identifying information about your Steamatic Franchise in such disclosure. We may, as often as we deem appropriate (including on a daily basis), access your recordkeeping system and retrieve all information relating to your Steamatic Business' operation.

Subject to applicable law, you agree to preserve and maintain all records in a secure location at your Steamatic Franchise for at least three years from the date of their preparation or such greater period as may be required by the Online Support Manual or applicable law (including, but not limited to, sales checks, purchase orders, invoices, payroll records, customer lists, check stubs, sales tax records and returns, cash receipts and disbursement journals, and general ledgers).

12. INSPECTIONS AND AUDITS

12.A OUR RIGHT TO INSPECT THE STEAMATIC FRANCHISE

To determine whether your Steamatic Franchise is in compliance with this Franchise Agreement and all System Standards, we and our designated agents or representatives may at all times and without prior notice to you: (1) inspect your Steamatic Franchise, Vehicle(s) and any additional equipment; (2) photograph your Steamatic Franchise, Vehicle(s) and any additional equipment, and observe and videotape the operation thereof for consecutive or intermittent periods we deem necessary; (3) remove samples of any products and supplies; (4) interview the Steamatic Business' personnel and customers; (5) perform secret shops of your Steamatic Business; and (6) inspect and copy any books, records and documents relating to your Steamatic Business' operation. You agree to cooperate with us fully under this Section. If we exercise any of these rights, we will not interfere unreasonably with your Steamatic Business' operation.

12.B OUR RIGHT TO AUDIT

We may, at any time during your business hours and without prior notice to you, examine your and your Steamatic Business' business, bookkeeping and accounting records, sales and income tax records and returns, and other records. We may also conduct an audit through independent auditors, which may involve auditors conducting an examination at the location of your Steamatic Business or, alternatively, you submitting materials to auditors. You agree to cooperate fully with our representatives and independent accountants in any examination. If any examination discloses an understatement of your Steamatic Business' Gross Revenue, you agree to pay us, within 15 days after receiving the examination report, the Royalty, Brand Fund Contributions, and any other fees due on the amount of the understatement, plus interest on the understated amounts from the date originally due until the date of payment. Furthermore, if an examination is necessary due to your failure to furnish reports, supporting

records, or other information as required, or to furnish these items on a timely basis, or if our examination reveals an understatement of monthly Gross Revenue exceeding two percent (2%) of the amount that you actually reported to us for the period examined, you agree to reimburse us for the costs of the examination, including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board, and compensation of our employees. These remedies are in addition to our other remedies and rights under this Franchise Agreement and applicable law.

13. TRANSFERS

13.A TRANSFER BY US

You acknowledge that we maintain a staff to manage and operate the System and that staff members can change as employees come and go. You acknowledge that you did not sign this Franchise Agreement in reliance on the continued participation by or employment of any of our shareholders, directors, officers or employees. We may change our ownership or form and/or assign this Franchise Agreement and any other agreement to a third party without restriction. After our assignment of this Franchise Agreement to a third party who expressly assumes the obligations under this Franchise Agreement, we no longer will have any performance or other obligations under this Franchise Agreement.

13.B TRANSFER BY YOU

You understand and acknowledge that the rights and duties this Franchise Agreement creates are personal to you and your owners and that we have granted you the Steamatic Franchise in reliance upon our perceptions of your and your owners' individual or collective character, skill, aptitude, attitude, business ability and financial capacity. None of the following may be transferred without our prior written approval: (i) this Franchise Agreement (or any interest in this Franchise Agreement); (ii) your Steamatic Franchise (or any right to receive all or a portion of your Steamatic Franchise's profits, losses, purchase price or capital appreciation related to your Steamatic Franchise); (iii) substantially all of the assets of your Steamatic Franchise, including, without limitation, the Vehicle(s); (iv) any ownership interest in you (regardless of its size); or (v) any ownership interest in any of your owners (if such owners are legal entities). A transfer of your Steamatic Business' ownership, possession or control, or substantially all of its assets, may be made only with a transfer of this Franchise Agreement. Any transfer without our approval is a breach of this Franchise Agreement and has no effect.

In this Franchise Agreement, the term "transfer" includes a voluntary, involuntary, direct or indirect assignment, sale, gift or other disposition. An assignment, sale, gift or other disposition includes the following events:

(1) transfer of ownership of capital stock, a partnership or membership interest, or another form of ownership interest;

(2) merger or consolidation or issuance of additional securities or other forms of ownership interest;

(3) any sale of a security convertible to an ownership interest;

(4) transfer of an interest in you, this Franchise Agreement, your Steamatic Business or substantially all of its assets, or in your owners in a divorce, insolvency or entity dissolution proceeding or otherwise by operation of law;

(5) if you, one of your owners, or an owner of one of your owners dies, a transfer of an interest in you, this Franchise Agreement, your Steamatic Business or substantially all of its assets, or your owner by will, declaration of or transfer in trust, or under the laws of intestate succession; or

(6) foreclosure upon your Steamatic Business or your transfer, surrender or loss of your Steamatic Business' possession, control or management.

You may not pledge this Franchise Agreement (to someone other than us), or an ownership interest in you or your owners as security for any loan or other financing, unless: (1) we grant our prior written consent; and (2) unless we agree otherwise in writing, the lender agrees its claims will be subordinate to all amounts you owe at any time to us.

13.C CONDITIONS FOR APPROVAL OF TRANSFER

If you (and your owners) are in full compliance with this Franchise Agreement, subject to the other provisions of this Section 13, we will approve a transfer that meets all of the requirements in this Section. A non-controlling ownership interest in you or your owners (determined as of the date on which the proposed transfer will occur) may be transferred if: (1) the proposed transferee and its direct and indirect owners (if the transferee is an Entity) are of good character and meet our then-applicable standards for Steamatic Business owners (including no ownership interest in or performance of services for a Competitive Business); and (2) you give us prior written notice of the transfer. If the proposed transfer is of this Franchise Agreement or a controlling ownership interest in you or one of your owners, or is one of a series of transfers (regardless of the time period over which these transfers take place), which in the aggregate transfer this Franchise Agreement or a controlling ownership interest in you or one of your owners, then all of the following conditions must be met before or concurrently with the effective date of the transfer:

(1) the transferee must be of good moral character; have sufficient business experience, aptitude and financial resources to operate the Steamatic Business and must be able to meet our then-applicable requirements for Steamatic Business franchisees;

(2) you have paid all Royalty and Brand Fund Contributions and other amounts owed to us, our affiliates and third-party vendors, including any outstanding financing for the Vehicle(s);

(3) you have submitted all required reports and statements;

(4) you have not violated any provision of this Franchise Agreement or any other agreement with us during both the 60-day period before you requested our consent to the transfer and the period between your request and the effective date of the transfer;

(5) neither the transferee nor its owners (if the transferee is an Entity) or affiliates have an ownership interest (direct or indirect) in or perform services for a Competitive Business;

(6) the transferee (or its Operating Principal or, if applicable, Designated Manager) satisfactorily complete our Initial Training Program;

(7) the transferee furnishes us proof of insurance in accordance with Section 9G of this Franchise Agreement;

(8) the transferee agrees to upgrade, remodel and refurbish the Steamatic Franchise, including the Vehicle(s) and any additional equipment in accordance with our current requirements and specifications for the Steamatic Franchise within 45 days after the effective date of the transfer (we will advise the transferee before the effective date of the transfer of the specific actions it must take within this time period) and to deposit with us the estimated cost to complete the upgrade or remodel;

(9) the transferee shall (if the transfer is of this Franchise Agreement) or you shall (if the transfer is of a controlling ownership interest in you or one of your owners) sign our then-current form of franchise agreement, Franchise Owner Agreement and related documents, any and all of the provisions of which may differ materially from any and all of those contained in this Franchise Agreement;

(10) you pay us a transfer fee in the amount of $12,000 (the "Transfer Fee"). You will not pay this fee if your Steamatic Business is transferred to a corporation which you control (in which case you will only be responsible for our legal fees). The Transfer Fee shall be paid as follows: A $1,000 non-refundable deposit toward the Transfer Fee shall be due at the time of transfer application submittal, and the remaining balance of the Transfer Fee shall be paid at the time of the approved transfer;

(11) unless prohibited by state law, you and your transferring owners sign a general release, in a form satisfactory to us, of any and all known and unknown claims against us, our affiliates and subsidiaries, and our and their respective shareholders, members, officers, directors, employees and agents arising before or contemporaneously with the transfer;

(12) we determine that the terms and conditions of the transfer (including purchase price and payment terms) will not adversely affect the transferee's operation of the Steamatic Business;

(13) if you or your owners finance any part of the purchase price, you and/or your owners agree that all of the transferee's obligations under promissory notes, agreements or security interests reserved in the Steamatic Business are subordinate to the transferee's obligation to pay Royalty and Brand Fund Contributions and other amounts due to us, our affiliates and third-party vendors, and otherwise to comply with this Franchise Agreement;

(14) you or the transferee provide us a copy of the signed purchase agreement relating to the proposed transfer with all supporting documents and schedules, including the transferee's assumption of the agreement to faithfully perform all of your obligations under this Franchise Agreement;

(15) you and your transferring owners (and your and their spouses and other immediate family members) will not, for two years beginning on the transfer's effective date, engage in any of the activities prescribed in Section 16D below. In addition, you will provide a non-compete in your asset purchase agreement which provides that you will not open a competing business within 25 miles from any current franchisee for two years. The value listed in the asset purchase agreement for this non-compete will be the total sales price of the business. Franchisor reserves all rights to bring suits, claims and actions against you and your transferring owners for any and all causes of action arising from any default under or breach of the asset purchase agreement;

(16) you and your transferring owners will not directly or indirectly, at any time or in any manner (except with respect to other Steamatic Businesses you own and operate): (i) identify yourself or themselves or any business as a current or former Steamatic Business or as one of our franchise owners; (ii) use any Mark, any colorable imitation of a Mark or other indicia of a Steamatic Business in any manner or for any purpose; or (iii) utilize for any purpose any trade name, trade or service mark, or other commercial symbol that suggests or indicates a connection or association with us; and

(17) you shall reimburse us for any broker or placement fee that we may incur with respect to the transfer.

We may review all information regarding the Steamatic Business you give the transferee, correct any information we believe is inaccurate, and give the transferee copies of any reports you have given us or we have made regarding the Steamatic Business.

13.D TRANSFER TO A WHOLLY OWNED CORPORATION OR LIMITED LIABILITY COMPANY

Notwithstanding Section 13.C above, if you are fully complying with this Franchise Agreement, you may transfer this Franchise Agreement to an Entity which conducts no business other than own and operate the Steamatic Business and, if applicable, other Steamatic Businesses in which you maintain management control and of which the owners collectively own and control one hundred percent (100%) of the equity and voting power of all issued and outstanding ownership interests, provided that all of the Steamatic Business' assets are owned and the Steamatic Business is conducted only by that Entity. The Entity must expressly assume all of your obligations under this Franchise Agreement and the Entity's owners and owners' spouses must sign the Franchise Owner Agreement attached to this Franchise Agreement as Attachment C. You will be required to reimburse us for any legal fees we incur with a transfer under this Section 13.D and cure any outstanding defaults of this Franchise Agreement prior to the transfer.

13.E YOUR DEATH OR DISABILITY

(1) Transfer Upon Death or Disability. Upon your or the Operating Principal's death or Permanent Disability (defined below), your or the Operating Principal's executor, administrator, conservator, guardian or other personal representative will have the right to continue the operation of the Steamatic Business as the franchisee under this Franchise Agreement if: (a) within 45 days from the date of death or disability, such person has obtained our written approval; (b) such person has signed our then-current franchise agreement for the unexpired term of the Franchise, or has furnished a personal guaranty (if an Entity will assume your rights and obligations under this Franchise Agreement) of your obligations to us and/or our affiliates; and (c) such person completes our Initial Training Program to our satisfaction. An assignment by operation of law will not be deemed in violation of this Franchise Agreement, provided the heirs or legatees accept the conditions imposed by this Franchise Agreement and are acceptable to us. In the event of death or Permanent Disability, we will waive our right of first refusal in Section 13G below. For the purposes of this Section 13.E, the term "Permanent Disability" means a mental or physical disability, impairment or condition reasonably expected to prevent or that actually does prevent you or the Operating Principal from supervising the management and operation of the Steamatic Business, or condition from which recovery within 90 days from the date of determination of disability.

(2) Operation Upon Death or Disability or Default. If, upon your or the Operating Principal's death or Permanent Disability, a Designated Manager approved by us is not managing the Steamatic Business, your or the Operating Principal's executor, administrator, conservator, guardian or other personal representative must, within 15 days from the date of death or Permanent Disability, appoint a Designated Manager. The Designated Manager must complete our standard Initial Training Program at your expense. If applicable, a new Operating Principal acceptable to us also must be appointed for the Steamatic Business within 30 days of the date of the death or Permanent Disability. If, in our judgment, the Steamatic Business is not being managed properly any time after your or the Operating Principal's death or disability, or at any time that you are in default of the Franchise Agreement, we may, but need not, exercise our Step-In Rights and appoint an Interim Manager, in which case you, your Operating Principal or the executor, administrator, personal representative, trustee or heirs of such person (in the event of a death or incapacity) must fully cooperate with us and pay all fees to us or our designee in accordance with Section 15.C of this Franchise Agreement.

13.F EFFECT OF CONSENT TO TRANSFER

Our consent to a transfer of this Franchise Agreement and the Steamatic Business or any interest in you or your owners is not a representation of the fairness of the terms of any contract between you and the transferee, a guarantee of the Steamatic Business' or transferee's prospects of success, or a waiver of any claims we have against you (or your owners) or of our right to demand the transferee's full compliance with this Franchise Agreement.

13.G OUR RIGHT OF FIRST REFUSAL

If you or any of your owners at any time determine to sell or transfer an interest in this Franchise Agreement or the Steamatic Business in a transaction that otherwise would be allowed under Sections 13B and 13C above, you or your owners agree to obtain from a responsible and fully disclosed buyer and send to us a true and complete copy of a bona fide executed written offer (which may include a letter of intent) relating exclusively to an interest in you or in this Franchise Agreement and the Steamatic Business. The offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price. To be a valid bona fide offer, the proposed purchase price must be in a dollar amount, and the proposed buyer must submit with its offer an earnest money deposit equal to five percent (5%) or more of the offering price.

The right of first refusal process will not be triggered by a proposed transfer that would not be allowed under Sections 13B and 13C above. We may require you or your owners to send us copies of any materials or information sent to the proposed buyer or transferee regarding the possible transaction.

We may, by written notice delivered to you or your selling owner(s) within 30 days after we receive both an exact copy of the offer and we have received, to our satisfaction, all other information we request concerning the offer and the proposed purchaser, elect to purchase the interest offered for the price and on the terms and conditions contained in the offer, provided that:

(1) we may substitute cash for any form of payment proposed in the offer (such as ownership interests in a privately-held entity);

(2) our credit will be deemed equal to the credit of any proposed buyer (meaning that, if the proposed consideration includes promissory notes, we or our designee may provide promissory notes with the same terms as those offered by the proposed buyer);

(3) we will have an additional 30 days to prepare for closing after notifying you of our election to purchase; and

(4) we must receive, and you and your owners agree to make, all customary representations and warranties given by the seller of the assets of a business or the ownership interests in a legal entity, as applicable, including, without limitation, representations and warranties regarding: (a) ownership and condition of and title to ownership interests and/or assets; (b) liens and encumbrances relating to ownership interests and/or assets; and (c) validity of contracts and the liabilities, contingent or otherwise, of the entity whose assets or ownership interests are being purchased.

We have the unrestricted right to assign this right of first refusal to a third party, who then will have the rights described in this Section.

If we exercise our right of first refusal, you and your selling owner(s) agree that, for two years beginning on the closing date, you and they will be bound by the non-competition covenant contained in Section 16D below. We have the unrestricted right to assign this right of first refusal to a third party, who then will have the rights described in this Section.

If we do not exercise our right of first refusal, you or your owners may complete the sale to the proposed buyer on the original offer's terms, but only if we otherwise approve the transfer in accordance with, and you (and your owners) and the transferee comply with the conditions in, Sections 13B and 13C above.

If you do not complete the sale to the proposed buyer within 60 days after we notify you that we do not intend to exercise our right of first refusal, or if there is a material change in the terms of the sale (which you agree to tell us promptly), we or our designee will have an additional right of first refusal during the 30-day period following either the expiration of the 60-day period or our receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at our or our designee's option.

14. EXPIRATION OF THIS FRANCHISE AGREEMENT

14.A YOUR RIGHT TO ACQUIRE A SUCCESSOR FRANCHISE

Upon expiration of this Franchise Agreement, you will have the option to acquire up to three additional five-year consecutive terms ("Successor Franchise") subject to the following conditions:

(1) you and each of your owners have substantially complied with this Franchise Agreement during its term and all other agreements between you and us, which includes satisfying all monetary obligations owed by you to us, our affiliates or your suppliers or creditors, whether under this Franchise Agreement or otherwise; and

(2) you and each of your owners (if you are an Entity) are, on the date you give us written notice of your election to acquire a Successor Franchise (as provided in Section 14B below), on the date on which the term of the Successor Franchise would commence, and during the Franchise Agreement's term, have been in full compliance with this Franchise Agreement, all System Standards and any other agreement between you and us; and

(3) you (or your Designated Manager) satisfactorily complete any new training and refresher programs we may reasonably require; and

(4) provided that: (a) you maintain possession of and agree to remodel the Vehicle(s) and any additional equipment, add or replace improvements, assets, signage and otherwise modify the Steamatic Business as we require to comply with System Standards then-applicable for new Steamatic Franchises; or (b) at your option, you secure a substitute Vehicle(s) and any additional equipment we approve and you develop that Vehicle(s) and any additional equipment according to System Standards then-applicable for Steamatic Franchises; and

(5) Subject to applicable state law, you will execute a general release, in a form prescribed by us, of any and all known and unknown claims which you may have against us, our affiliates and subsidiaries, and our and their respective shareholders, directors, members, employees and agents in their corporate and individual capacities. Unless otherwise prevented by state law, we will consider your failure to sign the release and to deliver it to us for acceptance and execution within 30 days after it is delivered to you to be an election not to acquire a Successor Franchise.

(6) you execute the then-current form of franchise agreement (the "Successor Franchise Agreement") and all other agreements, legal instruments and documents then customarily used by us in the renewal of our Steamatic Franchises. The Successor Franchise Agreement and these other agreements, legal instruments and documents may vary materially from those agreements, legal instruments and documents currently in use by us, including the payment of higher fees. We have the right to refuse to renew the license granted under this Franchise Agreement if we have given you written notice three or more times for failure to comply with this Franchise Agreement, whether or not such failure is subsequently cured. At the time that you submit your notice of intent to renew, you will owe a renewal fee of $5,000. When you sign the Successor Franchise Agreement, you are not obligated to pay our then-current Initial Franchise Fee

If you and each of your owners (if an Entity) are not, both on the date you give us written notice of your election to acquire a Successor Franchise and on the date on which the term of the Successor Franchise commences, in full compliance with this Franchise Agreement and all System Standards, you acknowledge that we need not grant you a Successor Franchise, whether or not we had, or chose to exercise, the right to terminate this Franchise Agreement during its term under Section 15B.

14.B GRANT OF A SUCCESSOR FRANCHISE

You agree to give us written notice ("Your Notice") of your election to acquire a Successor Franchise at least 90 days, but not more than 180 days before this Franchise Agreement expires. We agree to give you written notice ("Our Notice"), not more than six months after we receive Your Notice, of our decision:

(1) to grant you a Successor Franchise;

(2) to grant you a Successor Franchise on the condition you correct existing deficiencies of your Steamatic Business or in your operation of your Steamatic Business;

(3) not to grant you a Successor Franchise based on our determination you and your owners have not substantially complied with this Franchise Agreement during its term or were not in full compliance with this Franchise Agreement and all System Standards on the date you gave us written notice of your election to acquire a Successor Franchise; or

(4) not grant you a Successor Franchise because we no longer maintain a franchise program for Steamatic Businesses.

If applicable, Our Notice will:

(1) describe the remodeling, expansion, improvements, and/or modifications required to bring the Vehicle(s) and any additional equipment into compliance with then-applicable System Standards for new Steamatic Businesses; and

(2) state the actions you must take to correct operating deficiencies and the time in which you must correct these deficiencies.

If we elect not to grant you a Successor Franchise, Our Notice will describe the reasons for our decision. If we elect to grant you a Successor Franchise, your right to acquire a Successor Franchise is subject to your full compliance with all of the terms and conditions of this Franchise Agreement through the date of its expiration, in addition to your compliance with the obligations described in Our Notice.

If Our Notice states that you must remodel your Steamatic Business and/or must cure certain deficiencies of your Steamatic Business or its operation as a condition to our granting you a Successor Franchise, we will give you written notice of our decision not to grant a Successor Franchise based upon your failure to complete the remodeling and/or to cure those deficiencies not less than 90 days before this Franchise Agreement expires, provided, however, that we need not give you this 90 days' notice if we decide not to grant you a Successor Franchise due to your breach of this Franchise Agreement during the 90-day period before it expires. We may extend this Franchise Agreement's term for the time period necessary to give you either reasonable time to correct deficiencies or the 90 days' notice of our refusal to grant a Successor Franchise. If you fail to notify us of your election to acquire a Successor Franchise within the prescribed time period, we need not grant you a Successor Franchise.

15. TERMINATION OF FRANCHISE AGREEMENT

15.A TERMINATION BY YOU

If you and your owners are in full compliance with this Franchise Agreement, and we materially fail to comply with this Franchise Agreement and we do not correct the failure within 30 days after you deliver written notice of the material failure to us or, if we cannot correct the failure within 30 days, give you, within 30 days after your notice, reasonable evidence of our effort to correct the failure within a reasonable time, you may terminate this Franchise Agreement effective an additional 30 days after you deliver to us written notice of termination. (The time period during which we may cure any material failure to comply with this Franchise Agreement after receiving notice from you is called the "Cure Period.") However, if we send you written notice during the Cure Period indicating either that: (1) we do not agree that we have materially failed to comply with this Franchise Agreement; or (2) we have fully corrected the failure, then you may not terminate this Franchise Agreement; instead, if you disagree with our position, you agree to submit the dispute to mediation in accordance with Section 18F below.

Your termination of this Franchise Agreement other than according to this Section 15A will be deemed a termination without cause and a breach of this Franchise Agreement.

15.B TERMINATION BY US

We may terminate this Franchise Agreement, effective upon delivery of written notice of termination to you, if (and each of which constitute material events of default under this Franchise Agreement):

(1) you or any of your owners have made or make any misrepresentation or omission in acquiring the Steamatic Franchise or operating the Steamatic Business;

(2) you do not open your Steamatic Business for business within 90 days after the Effective Date;

(3) your Operating Principal, or, if applicable, Designated Manager and/or other required attendees do not satisfactorily complete the Initial Training Program and you fail to appoint an Operating Principal or Designated Manager within 30 days capable of satisfactorily completing the Initial Training Program;

(4) you cease to operate your Steamatic Business or otherwise abandon your Steamatic Franchise by: (a) failing to maintain a viable designated telephone line for use in connection with your Steamatic Franchise; or (b) failing to generate any sales activities for a period of at least 60 days, unless you close your Steamatic Franchise for a purpose we approve or because full operation of your Steamatic Franchise is suspended or terminated due to fire, flood, earthquake, terrorism, act of God, death or disability of principal owner, or other similar causes beyond the Franchisee's control and not related to the availability of funds to Franchisee;

(5) you or your owners make or attempt to make any transfer in violation of Section 13 of this Franchise Agreement or violate any confidentiality or non-competition provisions;

(6) you or any of your owners commit consumer fraud or partake in unfair or deceptive trade practices;

(7) you or any of your owners are or have been convicted by a trial court of, or plead or have pleaded no contest to, a felony or take part in any criminal misconduct relevant to the operation of your Steamatic Business or a crime of moral turpitude that is likely to adversely affect the Marks;

(8) you fail to maintain the insurance we require and do not correct the failure within ten days after we deliver written notice of that failure to you;

(9) you or any of your owners engage in any fraudulent conduct or deceptive trade practices in the operation of your Steamatic Business;

(10) you or any of your owners engage in any dishonest or unethical conduct which, in our opinion, adversely affects the Steamatic Franchise reputation or the goodwill associated with the Marks;

(11) you or any of your owners knowingly make any unauthorized use or disclosure of any part of the Online Support Manual or any other Confidential Information;

(12) you or any of your owners misuse or infringe on the Marks;

(13) you or any of your owners fails to fully cooperate with any audit conducted by us;

(14) you fail to meet the Local Advertising Requirement;

(15) you violate any health, safety or sanitation law, ordinance or regulation, or operate your Steamatic Business in an unsafe manner, and do not begin to cure the violation immediately and correct the violation within 24 hours after you receive notice from us or any other party;

(16) you violate any other applicable law, regulation, ordinance or consent decree, or fail to maintain any bond, license or permit, and do not cure such violation or failure within 48 hours after we or any applicable government agency deliver notice to you of that violation or failure;

(17) you fail to pay us, our affiliates or any third-party vendors any amounts due and do not correct the failure within ten days after we deliver written notice of that failure to you;

(18) you fail to pay any third-party financing in connection with your Steamatic Business and do not correct the failure within the applicable cure period prescribed by the third party;

(19) you fail to pay when due any federal or state income, service, sales or other taxes due on your Steamatic Business' operation, unless you are in good faith contesting your liability for these taxes;

(20) you or any of your owners: (a) fail on three or more separate occasions within any 12-consecutive-month period to comply with this Franchise Agreement, whether or not we notify you of the failures and, if we notify you of the failures, whether or not you correct the failures after our delivery of notice to you; or (b) fail on two or more separate occasions within any six-consecutive-month period to comply with the same obligation under this Franchise Agreement, whether or not we notify you of the failures and, if we notify you of the failures, whether or not you correct the failures after our delivery of notice to you;

(21) you or any of your owners make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due; you consent to the appointment of a receiver, trustee or liquidator of all or the substantial part of your property; your Steamatic Franchise is attached, seized, subjected to a writ or distress warrant, or levied upon, unless the attachment, seizure, writ, warrant or levy is vacated within 30 days; or any order appointing a receiver, trustee or liquidator of you or your Steamatic Franchise is not vacated within 30 days following the order's entry;

(22) proceedings are commenced to have you or any of your owners adjudicated bankrupt or to seek your reorganization under any state or federal bankruptcy or insolvency law and those proceedings are not dismissed within 60 days; or a trustee or receiver is appointed for you or any of your owners without consent and the appointment is not vacated within 60 days.

(23) you or any of your owners' assets, property or interests are blocked under any law, ordinance or regulation relating to terrorist activities, or you or any of your owners otherwise violates any such law, ordinance or regulation;

(24) you or any of your owners fails to comply with any other provision of this Franchise Agreement or any System Standard and do not correct the failure within 30 days after we deliver written notice of the failure to you, each of which will constitute a material event of default under this Franchise Agreement;

(25) you or any of your owners breaches any other agreement with us or our affiliates and does not cure the breach within any permitted cure period;

(26) you or any of your owners violates the in-term restrictive covenant contained in Section 8 of this Franchise Agreement;

(27) you fail to meet required sales growth during any six-month probationary period based on your failure to meet the Performance Criteria and do not correct the failure within 60 days after we deliver written notice of that failure to you;

(28) there is a termination of any other franchise agreement or other agreement between you or your affiliates and us or any of our affiliates;

(29) you have three or more insufficient funds or returned checks in any one calendar year;

(30) you indicate in writing your intention to consummate any of the preceding actions; or

(31) your Steamatic Business is cited by an authority for improper operation(s) three or more times within any calendar year.

Notwithstanding the foregoing, we may, in our sole discretion, terminate your participation in elective programs to the extent you fail to meet the program specifications without terminating your Steamatic Franchise. You will have 30 days to cure your failure to meet such program specifications.

15.C LIQUIDATED DAMAGES

Upon termination of this Franchise Agreement: (i) by us due to your default of this Franchise Agreement; or (ii) following your purported termination without cause, you agree to pay to us, within 15 days after the effective date of this Franchise Agreement's termination, in addition to the amounts owed hereunder, liquidated damages equal to the average monthly Royalties and Brand Fund Contributions you paid during the total months of operation preceding the effective date of termination multiplied by: (a) 36; or (b) the number of months remaining in this Franchise Agreement had it not been terminated, whichever is less, but in no case will such damages be less than $30,000.

You and we acknowledge and agree that it would be impracticable to determine precisely the damages we would incur from this Franchise Agreement's termination and the loss of cash flow from Royalties due to, among other things, the complications of determining what costs, if any, we might have saved and how much the Royalties would have grown over what would have been this Franchise Agreement's remaining term. You and we consider this liquidated damages provision to be a reasonable, good faith pre-estimate of those damages.

The liquidated damages provision only covers our damages from the loss of cash flow from the Royalties. It does not cover any other damages, including damages to our reputation with the public and landlords and damages arising from a violation of any provision of this Franchise Agreement other than the Royalty section. You and each of the Owners agree that the liquidated damages provision does not

give us an adequate remedy at law for any default under, or for the enforcement of, any provision of this Franchise Agreement other than the Royalty section.

15.D ASSUMPTION OF MANAGEMENT

In addition to the rights described in Section 9.F (regarding replacing the Designated Manager), and without waiver of any other rights or remedies we may have under this Franchise Agreement, in order to prevent any interruption of the Steamatic Franchise operations which would cause harm to the Steamatic Franchise, thereby depreciating the value thereof, we have the right, but not the obligation, to step-in and designate an individual of our choosing (an "Interim Manager") for so long as we deem necessary and practical to take possession of the Vehicle(s) and any additional equipment and to temporarily manage your Steamatic Franchise for any period of time we deem appropriate: (i) if you fail to comply with any provision of this Franchise Agreement and do not cure the failure within the time period specified by this Franchise Agreement or us; (ii) if we determine, in our sole judgment, that the operation of your Steamatic Franchise is in jeopardy; (iii) if we determine, in our sole discretion, that operational problems require that we operate the Steamatic Franchise; (iv) if you abandon or fail to actively operate the Steamatic Franchise; (v) upon your, the Operating Principal's or the Designated Manager's absence, termination, illness, death, incapacity or disability; (vi) if we deem you or your Designated Manager incapable of operating the Steamatic Franchise; or (vii) if this Franchise Agreement is terminated and we are deciding whether to exercise our option to purchase the Steamatic Franchise under Section 16.E of this Franchise Agreement ("Step-in Rights"). If we exercise our Step-In Rights:

(1) you agree to pay us (in addition to all other payments and other amounts due to us or our affiliates) an amount equal to $250 per day we or a third party manages your Steamatic Business, plus the Interim Manager's direct out-of-pocket costs and expenses;

(2) all monies from the operation of the Steamatic Franchise during such period of operation by us shall be kept in a separate account, and the expenses of the Steamatic Franchise, including the fee paid to the Interim Manager, shall be charged to said account;

(3) you acknowledge that the Interim Manager will have a duty to utilize only reasonable efforts and will not be liable to you or your owners for any debts, losses or obligations your Steamatic Business incurs, or to any of your creditors for any supplies, products or other assets or services your Steamatic Business purchases while the Interim Manager manages it;

(4) we will have no liability to you for the activities of an Interim Manager and you agree to indemnify and hold harmless us, the Interim Manager, and any representative of ours who may act hereunder, from any and all acts which we may perform, or omissions as regards the interests of you or third parties; and

(5) you agree to pay all of our reasonable attorney fees and costs incurred as a consequence of our exercise of the Step-In Rights.

Nothing contained herein shall prevent us from exercising any other right which we may have under this Franchise Agreement including, without limitation, termination.

16. OUR AND YOUR RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THIS FRANCHISE AGREEMENT

16.A PAYMENT OF AMOUNTS OWED TO US

You agree to pay us and our affiliate(s) within 15 days after this Franchise Agreement expires or is terminated, or on any later date we determine the amounts due to us (or our affiliates), the Royalties, Brand Fund Contributions, any outstanding financing for the Vehicle(s), interest, and all other amounts owed to us (and our affiliates) which then are unpaid.

16.B DE-IDENTIFICATION

When this Franchise Agreement expires or is terminated:

(1) you may not directly or indirectly at any time or in any manner (except with other Steamatic Businesses you own and operate) identify yourself or any business as a current or former Steamatic Business or as one of our current or former franchise owners; use any Mark, any colorable imitation of a Mark, or other indicia of a Steamatic Franchise in any manner or for any purpose; or use for any purpose any trade name, trade or service mark, or other commercial symbol that indicates or suggests a connection or association with us;

(2) you agree to take the action required to cancel or assign all fictitious or assumed name or equivalent registrations relating to your use of any Mark;

(3) you agree to deliver to us, at your expense, within 30 days all signs, sign faces, displays, marketing materials, forms and other materials containing any Mark or otherwise identifying or relating to a Steamatic Business, and if you fail to do so in the required time period, you agree to allow us, without liability to you or third parties for trespass or any other claim, to take possession of any equipment. to remove any signs or other materials containing any Marks from the Steamatic Business, and to otherwise modify the Vehicle(s) and any additional equipment so as to no longer be identifiable as related to the Steamatic Franchise;

(4) you acknowledge that the telephone numbers, facsimile numbers, social media websites, Internet addresses and email addresses (collectively "Identifiers") used in the operation of your Steamatic Business constitute our assets, and upon termination or expiration of this Franchise Agreement, you will take such action within five days to assign to us or our designee, as determined by us, all of your right, title and interest in and to such Identifiers and will notify the telephone company and all listing agencies of the termination or expiration of your right to use any Identifiers and any regular, classified or other telephone directory listing associated with the Identifiers and to authorize a transfer of the same to, or at our direction. You agree to take all action required to cancel all assumed name or equivalent registrations related to your use of the Marks. You acknowledge that we have the sole rights to, and interest in, all Identifiers used by you to promote your Steamatic Business and/or associated with the Marks. You hereby irrevocably appoint us, with full power of substitution, as your true and lawful attorney-in-fact, which appointment is coupled with an interest, to execute such directions and authorizations as may be necessary or prudent to accomplish the foregoing. You further appoint us to direct the telephone company, postal service, registrar, Internet Service Provider, listing agency, website operator, or any other third party to transfer such Identifiers to us or our designee. The telephone company, postal service, registrar, Internet Service Provider, listing agency, website operator, or any other third party may accept such direction by us pursuant to this Franchise Agreement as conclusive evidence of our rights to the Identifiers and our authority to direct their transfer. You

agree to pay the telephone company, postal service, registrar, Internet Service Provider, listing agency, website operator, or any other third party all amounts owed for the use of the Identifiers and to indemnify us for any sums we must pay to effectuate the assignment of the Identifiers; and

(5) you agree to permit us to make a final inspection of your financial records, books and other accounting records within six months after the expiration or termination of this Franchise Agreement;

(6) you must follow any reasonable procedures established by us to ensure the expiration or termination of this Franchise Agreement creates the least disruption possible to the System; and

(7) you agree to give us, within 30 days after the expiration or termination of this Franchise Agreement, evidence satisfactory to us of your compliance with the obligations of this Section 16B.

16.C CONFIDENTIAL INFORMATION

You agree that, when this Franchise Agreement expires or is terminated, you will immediately cease using any of our Confidential Information (including computer software or similar technology and digital passwords and identifications we have licensed to you or that otherwise are proprietary to us or the System) in any business or otherwise, and return to us all copies of the Online Support Manual and any other confidential materials we have loaned you or that are otherwise in your possession or control, and any customer data you may have.

16.D COVENANT NOT TO COMPETE

Upon termination, transfer or expiration of this Franchise Agreement, you and your owners (if you are an Entity) agree that, for two years beginning on the effective date of termination, transfer or expiration or the date on which all persons restricted by this Section begin to comply with this Section, whichever is later, neither you nor any of your owners (or your or their spouses or any member of your or their immediate families) will have any direct or indirect interest as an owner (whether of record, beneficially or otherwise), investor, partner, director, officer, manager, employee, consultant, representative, agent or participate in any Competitive Business (as defined in Section 8 above) located at or within a radius of 25 miles of the Territory or any other Steamatic Business' Territory then in existence, or which you know or have reason to know will soon be in operation as of the later of the effective date of the termination or expiration of this Franchise Agreement or the date on which all persons restricted by this Section 16.D begin to comply with this Section.

However, this Section shall not prohibit ownership of less than two percent (2%) of a class of shares of issued and outstanding capital stock of any corporation whose stock is traded publicly on a recognized United States stock exchange. These restrictions also apply after transfers, as provided in Section 13.C above. If you or your Operating Principal engages in any activities prohibited by the Franchise Agreement during the restricted period, then the restricted period applicable to you or the non-compliant Operating Principal shall be extended by the period of time during which you or the non-compliant Operating Principal, as applicable, engaged in the prohibited activities. If any person restricted by this Section refuses voluntarily to comply with these obligations, the two-year period for that person will commence with the entry of a court order enforcing this provision. You and your owners expressly acknowledge that you possess skills and general abilities and have other opportunities for exploiting these skills. Consequently, our enforcing the covenants made in this Section will not deprive you of your personal goodwill or ability to earn a living.

In the event a court of competent jurisdiction determines that the two-year post-term restricted period contained herein is too long to be enforceable, then the post-term restricted period shall be for a period of one year beginning on the effective date of termination, transfer or expiration of this Franchise Agreement.

16.E OUR RIGHT TO PURCHASE THE FRANCHISE

(1) Exercise of Option. Upon one or both of the following:

(a) our termination or expiration of this Franchise Agreement according to its terms and conditions; or

(b) your termination of this Franchise Agreement without cause;

we have the option, exercisable by giving you written notice within 30 days after the date of termination, to purchase the assets of your Steamatic Business including, without limitation, any additional equipment. We have the unrestricted right to assign this option to purchase. If we purchase your Steamatic Business, we are entitled to all customary warranties and representations in our asset purchase, including, without limitation, representations and warranties as to ownership and condition of and title to assets; liens and encumbrances on assets; validity of contracts and agreements; and liabilities affecting the assets, contingent or otherwise.

(2) Purchase Price. The purchase price for your Steamatic Business will be its fair market value, provided these items will not include any value for:

(a) the Steamatic Franchise or any rights granted by this Franchise Agreement;

(b) goodwill attributable to our Marks, brand image and other intellectual property; or

(c) participation in the network of Steamatic Franchises.

We may exclude from the assets purchased any assets and supplies that are not reasonably necessary (in function or quality) to the Steamatic Franchise operation or that we have not approved as meeting standards for Steamatic Franchises, and the purchase price will reflect these exclusions.

(3) Appraisal. If we and you cannot agree on fair market value, fair market value will be determined by an independent appraiser selected by us. We will select the appraiser within 15 days after we notify you that we wish to exercise our purchase option (if you and we have not agreed on fair market value before then). You and we will bear the costs of the appraiser. The appraiser must complete the appraisal within 30 days after. The purchase price will be the independent appraisal amount.

(4) Closing. We or our assignee will pay the purchase price at the closing, which will take place not later than 60 days after the purchase price is determined, although we or our assignee may decide after the purchase price is determined not to purchase your Steamatic Business. We may set off against the purchase price, and reduce the purchase price by, any and

all amounts you or your owners owe us or our affiliates. At the closing, you agree to deliver instruments transferring to us or our assignee:

(a) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us), with all sales and other transfer taxes paid by you;

(b) all of the Steamatic Business licenses and permits which may be assigned or transferred; and

(c) the title or lease (as applicable) to the Vehicle(s) and any additional equipment.

If you cannot deliver clear title to all of the purchased assets, or if there are other unresolved issues, we and you will close the sale through an escrow. You and your owners further agree to execute general releases, in a form satisfactory to us, of any and all claims against us and our owners, officers, managers, employees, agents, successors and assigns.

16.F CONTINUING OBLIGATIONS

All of our and your and your owners' obligations which expressly or by their nature survive this Franchise Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or expire by their nature.

17. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION

17.A INDEPENDENT CONTRACTORS

You and we understand and agree that this Franchise Agreement does not create a fiduciary relationship between you and us that you and we are and will be independent contractors and that nothing in this Franchise Agreement is intended to make either you or us a general or special agent, joint venturer, partner or employee of the other for any purpose. You agree to identify yourself conspicuously in all public records, on letterhead and in all dealings with customers, suppliers, public officials, Steamatic Franchise personnel and others as the Steamatic Franchise owner under a franchise we have granted and to place notices of independent ownership on the Vehicle(s) and any additional Equipment and on the forms, business cards, stationery, advertising, marketing materials and other materials we require from time to time. You shall hire all employees of the Steamatic Business and be exclusively responsible for the terms of the employment, compensation and proper training. You acknowledge that we have no responsibility to ensure that the Steamatic Business is developed and operated in compliance with all applicable laws, ordinances and regulations. You further agree that fulfillment of any and all of our obligations written in the Franchise Agreement, or based on any oral communications which may be ruled to be binding in a court of law, shall be our sole responsibility and none of our owners, officers, agents, representatives, nor any individuals associated with us shall be personally liable to you for any reason.

17.B NO LIABILITY FOR ACTS OF OTHER PARTY

We and you may not make any express or implied agreements, warranties, guarantees or representations, or incur any debt in the name or on behalf of the other or represent our respective relationship is other than franchisor and franchise owner. We will not be obligated for any damages to any person or property directly or indirectly arising out of the Steamatic Business' operation or the business you conduct under this Franchise Agreement.

17.C TAXES

We will have no liability for any sales, use, service, occupation, excise, gross revenue, income, property or other taxes, whether levied upon you or the Steamatic Business, due to the business you conduct (except for our income taxes). You are responsible for paying these taxes and must reimburse us for any taxes we must pay to any state taxing authority on account of either your operation or payments you make to us.

17.D INDEMNIFICATION

You agree to indemnify, defend and hold harmless us, our affiliates and our and their respective shareholders, directors, officers, employees, agents, successors and assignees (the "Indemnified Parties") against, and to reimburse any one or more Indemnified Parties for, all claims, obligations and damages directly or indirectly arising out of the Steamatic Business' operation, the business you conduct under this Franchise Agreement, your employment or other contractual relationship with your employees or independent contractors, any loss of data, including customer information, resulting from a breach of such data caused in whole or in part by you or your negligence, or your breach of this Franchise Agreement, including, without limitation, those alleged to be or found to have been caused by the Indemnified Party's negligence, unless (and then only to the extent that) the claims, obligations or damages are determined to be caused solely by our gross negligence or willful misconduct in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction.

For purposes of this indemnification, "claims" include all obligations, damages (actual, consequential or otherwise) and costs that any Indemnified Party reasonably incurs in defending any claim against it, including, without limitation, reasonable accountants', arbitrators', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration or alternative dispute resolution, regardless of whether litigation, arbitration or alternative dispute resolution is commenced. Each Indemnified Party may defend any claim against it and agree to settlements or take any other remedial, corrective or other actions, and such actions will affect your obligation to indemnify under this Section.

This indemnity will continue in full force and effect subsequent to and notwithstanding this Franchise Agreement's expiration, non-renewal, transfer, or termination. An Indemnified Party need not seek recovery from any insurer or other third party or otherwise mitigate its losses and expenses to maintain and recover fully a claim for indemnity under this Section. You agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover under this Section.

We may, but are not required to, indemnify you against, and reimburse you for: (1) all damages for which you are held liable in any judicial or administrative proceeding arising out your use of any Mark in compliance with this Franchise Agreement; and (2) the costs in defending any claim brought against you or in any proceeding in which you are named as a party arising out of your use of any Mark in compliance with this Franchise Agreement, provided you have timely notified us of the claim or proceeding and have complied with this Franchise Agreement. If we determine you have used the Mark in accordance with this Franchise Agreement, we will pay for such defense, including the cost of any judgment or settlement.

18. ENFORCEMENT

18.A SECURITY INTEREST

As security for the performance of your obligations under this Franchise Agreement, you grant us a security interest in all of the assets of your Steamatic Business, including, but not limited to, the Vehicle(s) and any additional equipment, inventory, fixtures, furniture, equipment, accounts, supplies, contracts and proceeds and products of all those assets. You agree to execute such other documents as we may reasonably request to further document, perfect and record our security interest. If you default on any of your obligations under this Franchise Agreement, we may exercise all rights of a secured creditor granted to us by law, in addition to our other rights under this Franchise Agreement and at law. If a third-party lender requires we subordinate our security interest in the assets of your Steamatic Business as a condition to lending you working capital for the operation of your Steamatic Business, we will agree to subordinate under terms and conditions determined by us.

18.B SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS

Except as expressly provided to the contrary in this Franchise Agreement, each section, paragraph, term and provision of this Franchise Agreement is severable and if, for any reason, any part is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency or tribunal with competent jurisdiction, that ruling will not impair the operation of or otherwise affect any other portions of this Franchise Agreement which will continue to have full force and effect and bind the parties.

If any covenant which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited and/or length of time but would be enforceable if modified, you and we agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity.

If any applicable and binding law or rule of any jurisdiction requires more notice than this Franchise Agreement requires of this Franchise Agreement's termination or of our refusal to enter into a Successor Franchise Agreement or some other action this Franchise Agreement does not require, or if under any applicable and binding law or rule of any jurisdiction any provision of this Franchise Agreement or any System Standard is invalid, unenforceable or unlawful, the notice and/or other action required by the law or rule will be substituted for the comparable provisions of this Franchise Agreement and we may modify the invalid or unenforceable provision or System Standard to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. You agree to be bound by any promise or covenant imposing the maximum duty the law permits which is subsumed within any provision of this Franchise Agreement as though it were separately articulated in and made a part of this Franchise Agreement.

18.C WAIVER OF OBLIGATIONS

We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Franchise Agreement, effective upon delivery of written notice to the other or another effective date stated in the notice of waiver. Any waiver granted will be without prejudice to any other rights we or you have, will be subject to continuing review, and may be revoked at any time and for any reason, effective upon delivery of ten days' prior written notice.

We and you will not waive or impair any right, power or option this Franchise Agreement reserves (including, without limitation, our right to demand exact compliance with every term, condition

and covenant or to declare any breach to be a default and to terminate this Franchise Agreement before its term expires) because of any custom or practice at variance with this Franchise Agreement's terms; our or your failure, refusal or neglect to exercise any right under this Franchise Agreement or to insist upon the other's compliance with this Franchise Agreement, including, without limitation, any System Standard; our waiver of or failure to exercise any right, power or option, whether of the same, similar or different nature, with other Steamatic Businesses; the existence of franchise agreements for other Steamatic Businesses which contain provisions different from those contained in this Franchise Agreement; or our acceptance of any payments due from you after any breach of this Franchise Agreement. No special or restrictive legend or endorsement on any check or similar item given to us will be a waiver, compromise, settlement or accord and satisfaction. We may remove any legend or endorsement which then will have no effect.

Neither we nor you shall be liable for any delay in the fulfillment of or failure to fulfill its obligations in whole or in part (other than the payment of money as may be owed by a party) under this Franchise Agreement where the delay or failure is solely due to Force Majeure, as described below. In the event of Force Majeure, the parties' obligations shall be extended or relieved only to the extent the parties are respectively necessarily prevented or delayed in such performance during the period of such Force Majeure. As used in this Franchise Agreement, the term "Force Majeure" shall mean any act of God, strike, lock-out or other industrial disturbance, war (declared or undeclared), terrorist event, riot, epidemic, fire or other catastrophe, act of any government and any other similar cause which is beyond the party's control and cannot be overcome by use of normal commercial measures. Force Majeure should be construed narrowly and does not include general economic, market or societal conditions, or any changes thereto, even those that are the direct or indirect result of the Force Majeure event. The party whose performance is affected by an event of Force Majeure shall give prompt notice of such Force Majeure event to the other party, which in no case shall be more than 5 days after the event, setting forth the nature thereof and the affected party shall furnish the other party with periodic reports regarding the progress of the Force Majeure event. Each party must use its best efforts to mitigate the effect of the event of Force Majeure upon its performance of the Agreement and to fulfill its obligations under the Franchise Agreement. Upon completion of the event of Force Majeure, the party affected must as soon as reasonably practicable recommence the performance of its obligations under this Agreement. An event of Force Majeure does not relieve a party from liability for an obligation which arose before the occurrence of the Force Majeure event, nor does that event affect any obligation to pay money owed under the Agreement or to indemnify us, whether such obligation arose before or after the Force Majeure event. An event of Force Majeure shall not affect your obligations to comply with any restrictive covenants in this Agreement during or after the Force Majeure event.

18.D COSTS AND ATTORNEY FEES

You shall pay all costs and expenses (including reasonable fees of attorneys and other engaged professionals) incurred by us in successfully enforcing, issuing notices of default, or obtaining any remedy arising from the breach of this Franchise Agreement. The existence of any claims, demands or actions which you may have against us, whether arising from this Franchise Agreement or otherwise, shall not constitute a defense to our enforcement of your (or any equitable owners if you are a legal Entity) representations, warranties, covenants, agreements or obligations herein. The prevailing party in any arbitration or litigation arising out of or relating to this Franchise Agreement shall be entitled to recover from the other party all damages, costs and expenses, including court costs and reasonable attorney fees, arbitrator fees, expert witness fees, costs of investigation and proof of facts, arbitration or litigation expenses, and travel and living expenses incurred by the prevailing party in successfully enforcing any provision of this Franchise Agreement.

18.E RIGHTS OF PARTIES ARE CUMULATIVE

Our and your rights under this Franchise Agreement are cumulative and our or your exercise or enforcement of any right or remedy under this Franchise Agreement will not preclude our or your exercise or enforcement of any other right or remedy which we or you are entitled by law to enforce.

18.F MEDIATION AND ARBITRATION

(1) Except as otherwise provided in this Franchise Agreement and those claims set forth in Section 18.J, any claim or controversy arising out of or related to this Franchise Agreement, or the making, performance, breach, interpretation or termination thereof, shall first be subject to non-binding mediation and then to binding arbitration in the principal city closest to our principal place of business (currently Carrollton, Texas). Mediation and arbitration shall not defer or suspend our exercise of any termination right under Sections 15 and 16.

(2) Non-binding mediation hereunder shall be concluded within 30 days of the issuance of the request or such longer period as may be agreed upon by the parties in writing ("Mediation Termination Date"). All aspects of the mediation process shall be treated as confidential, shall not be disclosed to others, and shall not be offered or admissible in any other proceeding or legal action whatsoever. The parties shall bear their own costs of mediation and shall share equally in the cost of the mediator or mediation service.

(3) Mediation under this Section is not intended to alter or suspend the rights or obligations of the parties under this Franchise Agreement or to determine the validity or effect of any provision of this Franchise Agreement, but is intended to furnish the parties an opportunity to resolve disputes amicably, expeditiously and in a cost-effective manner on mutually acceptable terms.

(4) The non-binding mediation provided for hereunder shall be commenced by the party requesting mediation giving written notice of the request for mediation to the party with whom mediation is sought. The request shall specify with reasonable particularity the matters for which non-binding mediation is sought.

(5) Non-binding mediation hereunder shall be conducted by one mediator under the then-current Commercial Mediation Rules of the American Arbitration Association designated by us in writing. We shall make the designation within a reasonable time after issuance of the request.

(6) If a claim (other than those set forth in Section 18.J) is not resolved by non-binding mediation, such claim shall be submitted to final and binding arbitration in accordance with the then-current Commercial Arbitration Rules of the American Arbitration Association or its successor organization (the "AAA") and otherwise as set forth below on an individual basis (not a class action). Except for claims excluded from mediation and arbitration herein, the arbitrator, and not any federal, state or local court or agency, shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, enforceability or formation of this Franchise Agreement including, but not limited to, any claim that all or any part of this Franchise Agreement is void or voidable.

(7) Neither party may initiate arbitration prior to the Mediation Termination Date. Following the Mediation Termination Date, either party may initiate the arbitration proceeding by making a written demand to the other. Both parties will then be obligated to engage in

arbitration. The demand for arbitration must be served on the other party within the period provided by Section 18.L and must contain a statement setting forth the nature of the dispute, the amount involved, if any, and the remedies sought. A demand for arbitration will not operate to stay, postpone or rescind the effectiveness of any termination of this Franchise Agreement. Arbitration will not proceed until any protest of arbitrability is resolved by the arbitrator or by an appropriate court, if necessary. Arbitration will be conducted before a single arbitrator who is familiar with legal disputes of the type at issue and who has at least ten years' experience as a lawyer or in the franchise business. The parties will mutually agree on the selection of the arbitrator; however, if the parties have not agreed on the selection of an arbitrator within 30 days after the arbitration demand, either party may request the AAA or successor organization to appoint a qualified arbitrator. Within ten days after appointment of the arbitrator, the parties will meet with the arbitrator in person or by telephone for a preliminary conference. At the preliminary conference, the parties will establish the extent of and schedule for discovery, including the production of relevant documents, identification of witnesses, depositions and the stipulation of uncontested facts. At this preliminary conference, the date for the hearing will be set. At the preliminary conference, the arbitrator will set forth the procedures to be followed at the hearing. Should a dispute arise over the extent of or propriety of any discovery request, the arbitrator will make a final determination after hearing each party's position. At least five days before the scheduled hearing, each party must deliver to the arbitrator and to the other party a written summary of its position on the issues in dispute.

(8) The arbitrator will issue a written decision within ten days after conclusion of the hearing explaining the basis for the decision. Judgment upon the decision rendered by the arbitrator may be entered in any court having jurisdiction. This decision will be binding upon both parties. The arbitrator will have authority to assess actual damages sustained by reason of any breach or wrongful termination of this Franchise Agreement, as well as specific performance, injunctive, or declaratory relief, but will not have any authority to amend or modify the terms of this Franchise Agreement or to assess punitive damages or treble damages.

(9) The fees of, and authorized costs incurred by, the arbitrator will be shared equally by the parties, and each party will bear all of its own costs of arbitration; provided, however, that the arbitration decision will provide that the substantially prevailing party will recover from the other party its actual costs and expenses (including arbitrator's fees and expenses and attorney fees and expenses) incurred in connection with the dispute.

(10) The parties will use due diligence to meet the foregoing time schedule, and the arbitrator will have the right to impose appropriate sanctions against any party who fails to comply with the agreed upon time schedule. The arbitrator will use best efforts to comply with the foregoing time schedule, but may unilaterally modify it if, in his opinion, modification is necessary for a proper and just resolution of the dispute. The parties may jointly modify the agreed upon time schedule, subject to the arbitrator's approval.

(11) Except as required by applicable law, including the required disclosure in our franchise disclosure document, the entire arbitration proceedings and related documents are confidential. Except as necessary to enforce the decision of the arbitrator hereunder, all conduct, statements, promises, offers, views and opinions, whether oral or written, made in the course of the arbitration by any of the parties, their agents, employees or representatives and by the arbitrator, are confidential. These matters will not be discoverable or admissible for any purposes, including impeachment, in any litigation or other proceeding involving the parties, and will not be disclosed to anyone who is not an agent, employee, expert witness or representative

for any of the parties; however, evidence otherwise discoverable or admissible is not excluded from discovery or admission as a result of its use in the arbitration.

18.G GOVERNING LAW

All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other federal law, this Franchise Agreement, the Steamatic Franchise, and all claims arising from the relationship between us and you will be governed by the laws of the State of Texas, without regard to its conflict of laws rules.

18.H CONSENT TO JURISDICTION

Subject to Sections 18.F and 18.G above and the provisions below, we and you (and your owners if you are an Entity) agree that all actions arising under this Franchise Agreement or otherwise as a result of the relationship between you and us must be commenced in the state or federal court of general jurisdiction which is closest to where our principal office is then located, currently Carrollton, Texas, and we and you (and each owner) irrevocably consent to the jurisdiction of those courts and waive any objection to either the jurisdiction of or venue in those courts. Nonetheless, we and you (and your owners) agree that we have the option to bring suit against you in the courts of the state or states in which you are domiciled or the Steamatic Business is located for: (i) claims brought in accordance with Section 18.J; or (ii) to enforce any arbitration orders and awards.

18.I WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL

Except for your obligation to indemnify us for third-party claims under Section 17.D and except for punitive damages available to either party under federal law, we and you (and your owners if you are an Entity) waive to the fullest extent permitted by law any right to or claim for any punitive, exemplary and treble and other forms of multiple damages against the other and agree that, in the event of a dispute between us and you, the party making a claim will be limited to equitable relief and to recovery of any actual damages it sustains.

We and you irrevocably waive trial by jury in any action, proceeding or counterclaim, whether at law or in equity, brought by either of us.

18.J PROVISIONAL REMEDIES

Nothing in this Franchise Agreement bars our right to obtain injunctive relief and/or provisional relief from a court of competent jurisdiction for any actual or threatened harm based on any claim brought by us against you with respect to: (1) the protection or use of our Marks, Patent or Confidential Information; (2) any claim or dispute involving or contesting the validity of any of the Marks, Patent or Confidential Information; (3) alleged violations of federal or state antitrust laws; (4) enforcing our right to indemnification or the manner in which it is exercised; (5) securing injunctive relief or specific performance; (6) seeking to prohibit any act or omission by you or your employees that constitutes a violation of any applicable law or is dishonest or misleading to your clients or to the public; (7) any action seeking your compliance with any of the post-termination obligations under this Franchise Agreement; or (8) any action that involves an alleged breach of any restrictive covenant under this Franchise Agreement. Such relief shall be in addition to such further or other relief as may be available in mediation or arbitration or otherwise under this Franchise Agreement. You agree that we are not required to await the outcome of any mediation or arbitration required by Section 18.F and will not be required to post a bond to obtain entry of temporary and permanent injunctions and orders of specific performance enforcing the

provisions of this Franchise Agreement. You agree that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby). The prevailing party shall be entitled to recover its costs and reasonable attorney fees incurred by it in obtaining such relief. The parties expressly agree that the venue for such litigation shall be the state or federal courts located in the city closest to our principal place of business (currently Carrollton, Texas), provided, however, that we may obtain such relief in any state or federal court with proper jurisdiction. The parties consent to the exercise of personal jurisdiction over them by these courts and to the propriety of venue in these courts for the purpose of this Section 18.K, and the parties waive any objections that they would otherwise have in this regard.

18.K BINDING EFFECT

This Franchise Agreement is binding upon us and you and our and your respective executors, administrators, heirs, beneficiaries, permitted assigns and successors in interest. Subject to our right to modify the Online Support Manual and System Standards, this Franchise Agreement may not be modified except by a written agreement signed by both our and your duly-authorized officers.

18.L LIMITATIONS OF CLAIMS

Except for claims arising from your nonpayment or underpayment of amounts you owe us, any and all claims arising out of or relating to this Franchise Agreement or our relationship with you will be barred unless a judicial or arbitration proceeding is commenced within one year from the date on which the party asserting the claim knew or should have known of the facts giving rise to the claims. However, the parties agree that in order to comply with this provision, either party may commence a judicial or arbitration proceeding before a related mediation proceeding is declared completed.

18.M CONSTRUCTION

The preambles and attachments are a part of this Franchise Agreement which, together with the System Standards contained in the Online Support Manual (which may be periodically modified, as provided in this Franchise Agreement) and the Franchise Disclosure Document constitute our and your entire agreement, and there are no other oral or written understandings or agreements between us and you or oral or written representations by us relating to the subject matter of this Franchise Agreement, the Franchise relationship or the Steamatic Business. Any understandings or agreements reached or any representations made before this Franchise Agreement are superseded by this Franchise Agreement. However, nothing in this Franchise Agreement or any related agreement is intended to disclaim the Franchisor's representations made in the Franchise Disclosure Document. No provision herein expressly identifying any term or breach of this Franchise Agreement as material shall be construed to imply that any other term or breach which is not so identified is not material.

Any policies we adopt and implement periodically to guide us in our decision-making are subject to change, are not a part of this Franchise Agreement, and are not binding on us. Except as expressly provided in this Franchise Agreement, nothing in this Franchise Agreement is intended or deemed to confer any rights or remedies upon any person or legal entity not a party to this Franchise Agreement. Except where this Franchise Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed, initiated or completed actions that require our approval.

The headings of the sections and paragraphs in this Franchise Agreement are for convenience only and do not define, limit or construe the contents of these sections or paragraphs.

References in this Franchise Agreement to "we," "us," and "our" with respect to all of our rights and all of your obligations to us under this Franchise Agreement include any of our affiliates with whom you deal. The term "affiliate" means any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling you or us. The term "control" means the power to direct or cause the direction of management and policies.

If two or more persons are at any time the owners of the Steamatic Franchise, whether as partners or joint venturers, their obligations and liabilities to us will be joint and several. References to "owner" mean any person holding a direct or indirect ownership interest (whether of record, beneficially or otherwise) or voting rights in you (or a transferee of this Franchise Agreement and the Steamatic Franchise or an ownership interest in you), including, without limitation, any person who has a direct or indirect interest in you (or a transferee), this Franchise Agreement, the Steamatic Franchise or the Steamatic Business, and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights or assets.

References to a "controlling ownership interest" in you or one of your owners (if an Entity) means the percent of the voting shares or other voting rights that results from dividing one hundred percent (100%) of the ownership interests by the number of owners. In the case of a proposed transfer of an ownership interest in you or one of your owners, the determination of whether a "controlling ownership interest" is involved must be made as of both immediately before and immediately after the proposed transfer to see if a "controlling ownership interest" will be transferred (because of the number of owners before the proposed transfer) or will be deemed to have been transferred (because of the number of owners after the proposed transfer).

"Person" means any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative or other legal or functional entity.

Unless otherwise specified, all references to a number of days shall mean calendar days and not business days.

The term "Steamatic Franchise" includes, without limitation, all of the assets of the Steamatic Franchise you operate under this Franchise Agreement, including its revenue.

This Franchise Agreement may be executed in multiple copies, each of which will be deemed an original.

Nothing in this Franchise Agreement or in any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document.

18.N COVENANT OF GOOD FAITH

If applicable law implies a covenant of good faith and fair dealing in this Franchise Agreement, the parties agree that the covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Franchise Agreement. Additionally, if applicable law shall imply the covenant, you agree that: (1) this Franchise Agreement (and the relationship of the parties that is inherent in this Franchise Agreement) grants us the 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 affect favorably or adversely your interests; (2) 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 generally (including ourselves and our affiliates, if applicable), and specifically without considering your individual interests or the individual interests of any other particular franchisee; (3) we

will 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 (4) in the absence of bad faith, no trier of fact in any arbitration or litigation shall substitute its judgment for our judgment so exercised.

18.O SURVIVAL

We and you (and your owners) agree that the mediation and arbitration provisions of this Section 18 shall apply during the term of this Franchise Agreement and following the termination, expiration or non-renewal of this Franchise Agreement.

19. NOTICES AND PAYMENTS

Any notice, request, demand, approval, consent or other communication which the parties may be required to give or are permitted to be given hereunder shall be in writing and given to the party for whom it is intended by personal delivery, electronic mail or other electronic system provided that the recipient expressly acknowledges receipt of such electronic mail or other electronic system, or delivering it to such party by mailing it by prepaid priority mail, or by recognized overnight delivery or courier services to the following addresses:

YOU:	As set forth in Attachment A
US:	Steamatic, LLC 4320 Marsh Ridge Rd, Suite 190 Carrollton, TX 75010

Notice shall be considered given at the time delivered by hand, or one business day after sending by email or comparable electronic system, or three business days after placed in the mail by priority mail, delivery confirmation. Either party hereto may change the address for notices by providing written notice of the same.

20. COMPLIANCE WITH ANTI-TERRORISM LAWS

You and your owners agree to comply, and to assist us to the fullest extent possible in our efforts to comply, with Anti-Terrorism Laws (defined below). In connection with that compliance, you and your owners certify, represent and warrant that none of your property or interests is subject to being blocked under, and that you and your owners otherwise are not in violation of, any of the Anti-Terrorism Laws. "Anti-Terrorism Laws" mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by you or your owners or any blocking of your or your owners' assets under the Anti-Terrorism Laws shall constitute good cause for immediate termination of this Franchise Agreement, as provided in Section 15B above.

21. ELECTRONIC MAIL

You acknowledge and agree that exchanging information with us by email is efficient and desirable for day-to-day communications and that we and you may utilize email for such communications. You authorize the transmission of email by us and our employees, vendors and affiliates ("Official Senders") to you, your owners (if you are an Entity), the Operating Principal and, if applicable, any Designated Manager during the term of this Franchise Agreement.

You further agree that: (1) Official Senders are authorized to send emails to those of your employees as you may occasionally authorize for the purpose of communicating with us; (2) you will cause your officers, directors and employees to give their consent to Official Senders' transmission of emails to them; (3) you will require such persons not to opt out or otherwise ask to no longer receive emails from Official Senders during the time that such person works for or is affiliated with you; and (4) you will not opt out or otherwise ask to no longer receive emails from Official Senders during the term of this Franchise Agreement.

The consent given in this Section 21 shall not restrict the provision of notices by either party under any of the methods provided in Section 19 of this Franchise Agreement, unless the parties otherwise agree in a written document manually signed by both parties.

(Signature Page Follows)

IN WITNESS WHEREOF, the parties have executed and delivered this Franchise Agreement on the dates noted below, to be effective as of the Effective Date.

FRANCHISOR:

STEAMATIC, LLC,
a Florida limited liability company

Sign: _____

Printed Name: _____

Title: _____

FRANCHISEE:

(If you are taking the Franchise as a corporation, limited liability company or partnership):

_____
(Entity Name)

Sign: _____

Printed Name: _____

Title: _____

(If you are taking the Franchise individually and not as a legal entity):

Sign: _____
individually

Printed Name:_____

Sign: _____
individually

Printed Name:_____

ATTACHMENT A
TO THE FRANCHISE AGREEMENT

FRANCHISE DATA SHEET

1. **Effective Date**. The Effective Date set forth in the introductory paragraph of the Franchise Agreement is: _____, 20___.

2. **Territory**. The Territory set forth in Section 2A of the Franchise Agreement will be the area as shown on the map or described below:
_____
_____
_____

3. **Initial Franchise Fee**. The Initial Franchise Fee is: $_____.

(Check if Applicable):

_____ Franchisee is a Conversion Owner and the Initial Franchise Fee includes the Conversion Owners' discount of _____%. Franchisee shall execute the Addendum for Conversion Owners concurrently herewith.
_____ The Initial Franchise Fee includes the Steamatic Employee discount of $_____ based on ___ years of consecutive employment.

4. **Population**. The population in the Territory is: _____.

5. **Franchise Equipment Package Fee**. The fee payable by you to us for the Franchise Equipment Package is (Check Applicable Box):

_____ $62,142* for Package A _____ $93,027* Package B

*plus shipping expenses and any applicable sales taxes

6. **Conversion Owner**. You (select one):

_____ ARE NOT a Conversion Owner. _____ ARE a Conversion Owner.

7. **Address for Notices**. Your address for all notices under Section 19 of the Franchise Agreement is:

Attn: _____
_____
_____
_____

8. **Trade Name**. Your trade name under Section 3F of the Franchise Agreement is: _____.

9. **Identification of Operating Principal**. Your Operating Principal is _____ _____. You may not change the Operating Principal without prior written approval.

10. **Identification of Designated Manager**. Your Designated Manager, if applicable, is _____ _____. You may not change the Designated Manager without prior written approval.

(Signature Page Follows)

FRANCHISOR:

STEAMATIC, LLC,
a Florida limited liability company

Sign: _____

Printed Name: _____

Title: _____

FRANCHISEE:

(If you are taking the Franchise as a corporation, limited liability company, or partnership):

_____
(Entity Name)

Sign: _____

Printed Name: _____

Title: _____

(If you are taking the Franchise individually and not as a legal entity):

Sign: _____
individually

Printed Name:_____

Sign: _____
individually

Printed Name:_____

ATTACHMENT B
TO THE FRANCHISE AGREEMENT

FORM OF OWNERSHIP
(Check One)

____ Individual ____ Partnership ____ Corporation ____ Limited Liability Company

If a **Partnership**, provide name and address of each partner showing percentage owned, whether active in management, and indicate the state in which the partnership was formed.

If a **Corporation**, give the state and date of incorporation, the names and addresses of each officer and director, and list the names and addresses of every shareholder showing what percentage of stock is owned by each.

If a **Limited Liability Company**, give the state and date of formation, the name and address of the manager(s), and list the names and addresses of every member and the percentage of membership interest held by each member.

Date and State of incorporation: _____

Management (managers, officers, board of directors, etc.):

Name	Title

Members, Stockholders, Partners*:

Name	Address	Percentage Owned

*If any members, stockholders, or partners are entities, please list the entities and owners of such entities up through the individuals.

(Signature Page Follows)

FRANCHISEE:

(If you are taking the Franchise as a corporation, limited liability company, or partnership):

_____
(Entity Name)

Sign: _____

Printed Name: _____

Title: _____

(If you are taking the Franchise individually and not as a legal entity):

Sign: _____
individually

Printed Name:_____

Sign: _____
individually

Printed Name:_____

ATTACHMENT C
TO THE FRANCHISE AGREEMENT

FRANCHISE OWNER AGREEMENT

As a condition to the execution by STEAMATIC, LLC ("we" or "us"), of a Franchise Agreement with _____ ("Franchisee"), each of the undersigned individuals ("Owners"), who constitute all of the owners of a direct or indirect beneficial interest in Franchisee, as well as their respective spouses , covenant and agree to be bound by this Franchise Owner Agreement ("Franchise Owner Agreement").

1. Acknowledgments.

1.1 Franchise Agreement. Franchisee entered into a franchise agreement with us effective as of _____, 20___ ("Franchise Agreement"). Capitalized words not defined in this Franchise Owner Agreement will have the same meanings ascribed to them in the Franchise Agreement.

1.2 Role of Owners. Owners are the beneficial owners or spouses of the beneficial owners of all of the equity interest, membership interest, or other equity controlling interest in Franchisee and acknowledge there are benefits received and to be received by each Owner, jointly and severally, and for themselves, their heirs, legal representatives and assigns. Franchisee's obligations under the Franchise Agreement, including the confidentiality and non-compete obligations, would be of little value to us if Franchisee's owners were not bound by the same requirements. Under the provisions of the Franchise Agreement, Owners are required to enter into this Franchise Owner Agreement as a condition to our entering into the Franchise Agreement with Franchisee. Owners will be jointly and severally liable for any breach of this Franchise Owner Agreement.

2. Non-Disclosure and Protection of Confidential Information.

2.1 Confidentiality. Under the Franchise Agreement, we will provide Franchisee with specialized training, proprietary trade secrets, and other Confidential Information relating to the establishment and operation of a franchised business. The provisions of the Franchise Agreement governing Franchisee's non-disclosure obligations relating to our Confidential Information are hereby incorporated into this Franchise Owner Agreement by reference, and Owners agree to comply with each obligation as though fully set forth in this Franchise Owner Agreement as a direct and primary obligation of Owners. Further, we may seek the same remedies against Owners under this Franchise Owner Agreement as we may seek against Franchisee under the Franchise Agreement. Any and all information, knowledge, know-how, techniques, and other data, which we designate as confidential, will also be deemed Confidential Information for purposes of this Franchise Owner Agreement.

2.2 Immediate Family Members. Owners acknowledge that they could circumvent the purpose of Section 2.1 by disclosing Confidential Information to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). Owners also acknowledge that it would be difficult for us to prove whether Owners disclosed the Confidential Information to family members. Therefore, each Owner agrees that he or she will be presumed to have violated the terms of Section 2.1 if any member of his or her immediate family uses or discloses the Confidential Information or engages in any activities that would constitute a violation of the covenants listed in Section 3, below, if performed by Owners. However, Owners may rebut this presumption by furnishing evidence conclusively showing that Owners did not disclose the Confidential Information to the family member.

3. Covenant Not To Compete.

3.1 Non-Competition During and After the Term of the Franchise Agreement. Owners acknowledge that as a participant in our system, they will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques which we have developed. The provisions of the Franchise Agreement governing Franchisee's restrictions on competition both during the term of the Franchise Agreement and following the expiration or termination of the Franchise Agreement are hereby incorporated into this Franchise Owner Agreement by reference, and Owners agree to comply with and perform each such covenant as though fully set forth in this Franchise Owner Agreement as a direct and primary obligation of Owners. Further, we may seek the same remedies against Owners under this Franchise Owner Agreement as we may seek against Franchisee under the Franchise Agreement.

3.2 Construction of Covenants. The parties agree that each such covenant related to non-competition will be construed as independent of any other covenant or provision of this Franchise Owner Agreement. If all or any portion of a covenant referenced in this Section 3 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a final decision to which we are a party, Owners agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 3.

3.3 Our Right to Reduce Scope of Covenants. Additionally, we have the right, in our sole discretion, to unilaterally reduce the scope of all or part of any covenant referenced in this Section 3 of this Franchise Owner Agreement, without Owners' consent (before or after any dispute arises), effective when we give Owners written notice of this reduction. Owners agree to comply with any covenant as so modified.

4. Continuing Guarantee.

4.1 Payment. Owners will pay us (or cause us to be paid) all monies payable by Franchisee under the Franchise Agreement whether now or in the future on the dates and in the manner required for payment in the relevant agreement.

4.2 Performance. Owners unconditionally guarantee full performance and discharge by Franchisee of all of Franchisee's obligations under the Franchise Agreement whether now or in the future on the date and times and in the manner required in the relevant agreement.

4.3 Indemnification. Owners will indemnify, defend and hold harmless us, all of our affiliates, and the respective shareholders, directors, partners, employees, and agents of such entities, against and from all losses, damages, costs, and expenses which we or they may sustain, incur, or become liable for, whether now or in the future, by reason of: (a) Franchisee's failure to pay the monies payable (to us or any of our affiliates) pursuant to the Franchise Agreement, or to do and perform any other act, matter, or thing required by the Franchise Agreement; or (b) any action by us to obtain performance by Franchisee of any act, matter, or thing required by the Franchise Agreement.

4.4 No Exhaustion of Remedies. Owners acknowledge and agree that we will not be obligated to proceed against Franchisee or exhaust any security from Franchisee or pursue or exhaust any remedy, including any legal or equitable relief against Franchisee, before proceeding to enforce the obligations of the Owners as guarantors under this Franchise Owner Agreement, and the enforcement of

such obligations can take place before, after, or contemporaneously with, enforcement of any of Franchisee's debts or obligations under the Franchise Agreement.

4.5 Waiver of Notice. Without affecting Owners' obligations under this Section 4, we can extend, modify, or release any of Franchisee's indebtedness or obligation, or settle, adjust, or compromise any claims against Franchisee, all without notice to the Owners. Owners waive notice of amendment of the Franchise Agreement and notice of demand for payment or performance by Franchisee.

4.6 Effect of Owner's Death. Upon the death of an Owner, the estate of such Owner will be bound by the obligations in this Section 4, but only for defaults and obligations hereunder existing at the time of death; and the obligations of any other Owners will continue in full force and effect.

4.7 Waiver of Acceptance, Default and Defenses. Owners waive: (i) acceptance and notice of acceptance by us of the forgoing undertakings; (b) protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations hereby guaranteed; and (c) any and all other notices and legal or equitable defenses, right of setoff, claim or counterclaim whatsoever to which they may be entitled at any time hereunder.

4.8 Continuing Nature. Owners agree that each of the obligations in this Section 4 shall be continuing and shall not be discharged by: (i) the insolvency of Franchisee or the payment in full of all of the obligations at any time; (ii) the power or authority or lack thereof of Franchisee to incur the obligations; (iii) the validity or invalidity of any of the obligations; (iv) the existence or non-existence of Franchisee as a legal entity; (v) the transfer or assignment of all or a portion of the ownership in Franchisee and/or the assets of Franchisee; (vi) the execution of an owners agreement or any other form of guaranty by any direct, indirect or beneficial owner of Franchisee in favor of us or our successors or assigns; (vii) any statute of limitations affecting the liability of Owners or the ability of us to enforce this Franchise Owner Agreement or the obligations; (viii) any right of offset, counterclaim or defense of any Owner, including, without limitation, those which have been waived by Owners pursuant to this Franchise Owners Agreement; or (ix) the expiration, termination or assignment of the Franchise Agreement or any other agreement between you or Franchisee and us or our affiliates.

5. Transfers.

Owners acknowledge and agree that we have granted the Franchise Agreement to Franchisee in reliance on Owners' business experience, skill, financial resources and personal character. Accordingly, Owners agree not to sell, encumber, assign, transfer, convey, pledge, merge or give away any direct or indirect interest in this Franchisee, unless Owners first comply with the sections in the Franchise Agreement regarding Transfers. Owners acknowledge and agree that any attempted transfer of an interest in Franchisee requiring our consent under the Franchise Agreement for which our express written consent is not first obtained will be a breach of this Franchise Owner Agreement and the Franchise Agreement. We may, from time to time, without notice to Owners, assign or transfer any or all of Owners' rights, duties and obligations or any interest therein in this Franchise Owner Agreement and, notwithstanding any assignment(s) or transfer(s), the rights, duties and obligations shall be and remain for the purpose of this Franchise Owner Agreement. Each and every immediate and successive assignee or transferee of any of the rights, duties or obligations of any interest therein shall, to the extent of such party's interest in the rights duties and/or obligations, be entitled to the benefits of this Franchise Owner Agreement to the same extent as if such assignee or transferee were us.

6. Notices.

6.1 Method of Notice. Any notices given under this Franchise Owner Agreement shall be in writing and delivered in accordance with the provisions of the Franchise Agreement.

6.2 Notice Addresses. Our current address for all communications under this Franchise Owner Agreement is:

Steamatic, LLC
4320 Marsh Ridge Rd, Suite 190
Carrollton, TX 75010

The current address of each Owner for all communications under this Franchise Owner Agreement is designated on the signature page of this Franchise Owner Agreement. Any party may designate a new address for notices by giving written notice to the other parties of the new address according to the method set forth in the Franchise Agreement.

7. Enforcement of This Franchise Owner Agreement.

7.1 Dispute Resolution. Any claim or dispute arising out of or relating to this Franchise Owner Agreement shall be subject to the dispute resolution provisions of the Franchise Agreement. This agreement to engage in such dispute resolution process shall survive the termination or expiration of this Franchise Owner Agreement.

7.2 Choice of Law; Jurisdiction and Venue. This Franchise Owner Agreement and any claim or controversy arising out of, or relating to, any of the rights or obligations under this Franchise Owner Agreement, and any other claim or controversy between the parties, will be governed by the choice of law and jurisdiction and venue provisions of the Franchise Agreement.

7.3 Provisional Remedies. We have the right to seek from an appropriate court any provisional remedies, including temporary restraining orders or preliminary injunctions to enforce Owners' obligations under this Franchise Owner Agreement. Owners acknowledge and agree that there is no adequate remedy at law for Owners' failure to fully comply with the requirements of this Franchise Owner Agreement. Owners further acknowledge and agree that, in the event of any non-compliance, we will be entitled to temporary, preliminary, and permanent injunctions and all other equitable relief that any court with jurisdiction may deem just and proper. If injunctive relief is granted, Owners' only remedy will be the court's dissolution of the injunctive relief. If the injunctive relief was wrongfully issued, Owners expressly waive all claims for damages they incurred as a result of the wrongful issuance.

8. Miscellaneous.

8.1 No Other Agreements. This Franchise Owner Agreement constitutes the entire, full and complete agreement between the parties, and supersedes any earlier or contemporaneous negotiations, discussions, understandings or agreements. There are no representations, inducements, promises, agreements, arrangements, or undertakings, oral or written, between the parties relating to the matters covered by this Franchise Owner Agreement, other than those in this Franchise Owner Agreement. No other obligations, restrictions or duties that contradict or are inconsistent with the express terms of this Franchise Owner Agreement may be implied into this Franchise Owner Agreement. Except for unilateral reduction of the scope of the covenants permitted in Section 3.3 (or as otherwise expressly provided in this Franchise Owner Agreement), no amendment, change or variance from this Franchise Owner

Agreement will be binding on either party unless it is mutually agreed to by the parties and executed in writing. Time is of the essence.

8.2 Severability. Each provision of this Franchise Owner Agreement, and any portions thereof, will be considered severable. If any provision of this Franchise Owner Agreement or the application of any provision to any person, property or circumstances is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Franchise Owner Agreement will be unaffected and will still remain in full force and effect. The parties agree that the provision found to be invalid or unenforceable will be modified to the extent necessary to make it valid and enforceable, consistent as much as possible with the original intent of the parties (i.e. to provide maximum protection for us and to effectuate the Owners' obligations under the Franchise Agreement), and the parties agree to be bound by the modified provisions.

8.3 No Third-Party Beneficiaries. Nothing in this Franchise Owner Agreement is intended to confer upon any person or entity (other than the parties and their heirs, successors and assigns) any rights or remedies under or by reason of this Franchise Owner Agreement.

8.4 Construction. Any term defined in the Franchise Agreement which is not defined in this Franchise Owner Agreement will be ascribed the meaning given to it in the Franchise Agreement. The language of this Franchise Owner Agreement will be construed according to its fair meaning, and not strictly for or against either party. All words in this Franchise Owner Agreement refer to whatever number or gender the context requires. If more than one party or person is referred to as you, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation

8.5 Binding Effect. This Franchise Owner Agreement may be executed in counterparts, and each copy so executed and delivered will be deemed an original. This Franchise Owner Agreement is binding on the parties and their respective heirs, executors, administrators, personal representatives, successors and (permitted) assigns.

8.6 Continuing Nature of this Franchise Owner Agreement. This Franchise Owner Agreement shall be continuing and shall not be discharged, impaired or affected by: (1) the insolvency of Franchisee or the payment in full of all of the obligations under the Franchise Agreement at any time; (2) the validity or invalidity of any of the terms of the Franchise Owner Agreement; (3) the existence or non-existence of Franchisee as a legal entity; (4) any statute of limitations affecting the liability of Owners or the ability of us or our successors or assigns to enforce this Franchise Owner Agreement; (5) the transfer or assignment of all or a portion of the ownership in Franchisee and/or the assets of Franchisee; (6) the execution of a franchise owner agreement or any other form of guaranty by any additional direct, indirect or beneficial owner of Franchisee in favor of us or our successors or assigns; (7) any right of offset, counterclaim or defense of any Owner; or (8) the expiration, termination or assignment of the Franchise Agreement or any other agreement between you and us.

8.7 Successors. References to "Franchisor" or "the undersigned," or "you" include the respective parties' heirs, successors, assigns or transferees.

8.8 Nonwaiver. Our failure to insist upon strict compliance with any provision of this Franchise Owner Agreement shall not be a waiver of our right to do so. Delay or omission by us respecting any breach or default shall not affect our rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Franchise Owner Agreement shall be cumulative.

8.9 No Personal Liability. You agree that fulfillment of any and all of our obligations written in the Franchise Agreement or this Franchise Owner Agreement, or based on any oral communications which may be ruled to be binding in a court of law, shall be our sole responsibility and none of our owners, officers, agents, representatives, nor any individuals associated with us shall be personally liable to you for any reason.

8.10 Franchise Owner Agreement Controls. In the event of any discrepancy between this Franchise Owner Agreement and the Franchise Agreement, this Franchise Owner Agreement shall control.

(Signature Page Follows)

IN WITNESS WHEREOF, the parties have entered into this Franchise Owner Agreement as of the effective date of the Franchise Agreement.

OWNER(S):

Sign: _____
Printed Name: [Insert Owner Name Here]
Address: [Insert Address of Owner]

Sign: _____
Printed Name: [Insert Owner Name Here]
Address: [Insert Address of Owner]

Sign: _____

Printed Name: [Insert Owner Name Here]
Address: [Insert Address of Owner]

SPOUSE(S):

Sign: _____
Printed Name: [Insert Spouse Name Here]
Address: [Insert Address of Spouse]

Sign: _____
Printed Name: [Insert Spouse Name Here]
Address: [Insert Address of Spouse]

Sign: _____

Printed Name: [Insert Spouse Name Here]
Address: [Insert Address of Spouse]

Rev.030824

Steamatic, LLC hereby accepts the agreements of the Owner(s) hereunder.

STEAMATIC, LLC

By: _____

Printed Name: _____

Title: _____

EXHIBIT D

LIST OF CURRENT AND FORMER FRANCHISEES

Current Franchisees as of December 31, 2023:

Last Name	First Name	Entity Name	Address	City	State	Zip Code	Phone	Email
Morse	Dwight	Steamatic of Hot Springs	112 Jefferson St.	Hot Springs	AR	71901	501-321-1191	misty@steamatichs.com
Morse	Dwight	Steamatic of Arkansas	7123 I -30 Frontage RD #44	Little Rock	AR	72209	501-565-0922	misty@steamatichs.com
Vernescu	Bobby	Steamatic of Southwest Phoenix	3511 East Janice Way	Phoenix	AZ	85038	623-522-7435	bobbyv@steamaticswp.com
Douglas and McCullough	Tyler and Andy	Steamatic of Contra Costa	4868 Sunrise Dr.	Martinez	CA	94553	925-356-2548	Andy@amc2.com
Henry	Bill	Steamatic of San Fernando Valley	8733 Shirley Ave.	Northridge	CA	91324	818-349-8894	bill@steamaticsfv.com
Taufahema	Okalani	Steamatic of Riverside	PO Box 5257	Oceanside	CA	92056	760-586-3293	okalani@sosd.us
Taufahema	Okalani	Steamatic of San Diego	PO Box 5257	Oceanside	CA	92056	760-586-3293	okalani@sosd.us
McCaa*	Jim	Steamatic of Newport Beach	750 Owens River Rd	Oxnard	CA	93036	805-218-3069	mccaa@me.com
Kane	Cliff	Steamatic of South Bay	2219 South Vermont	Torrance	CA	90502	310-783-0282	cjk@steamaticsouthbay.com
Doerfler	Chris	Steamatic of Colorado Springs	2816 Verde Dr.	Colorado Springs	CO	80910	719-390-3872	steamatic@cleancolorado.com
Farricielli	Vincent	Steamatic of Connecticut	12 Corporate Dr	North Haven	CT	6473	203-985-8000	Vfarricielli@steamaticct.com
Bootsma	Randy	Bootsma and Son Steamatic	2904 Barnard Road	Bradenton	FL	34205	941-756-4574	steamatic@steamklean.com
Sullivan	Jerry	Steamatic of Central Florida	6124 HANGING MOSS ROAD	Orlando	FL	32807	407-681-7277	Kim@steamaticfl.com
Colasanti	Al	Steamatic of Atlantic Coast	395 NE Baker Rd	Stuart	FL	34994	772-334-4770	steamatic1@comcast.net
Crawford	Joe	Steamatic of Greater Atlanta	2891 Cole Court	Norcross	GA	30071	770-246-9943	jcrawford@steamatic.tv
Denman	Jim	Dubuque Area Steamatic	500 Huff St	Dubuque	IA	52003	563-556-5821	jim@dbqsteamatic.com
Brouwer	Rick	Brouwer Brothers Steamatic.	4120 WEST 123RD STREET	Alsip	IL	60803	708-396-1444	rbrouwer@brouwerbrothers.com
McFall	Keith	Steamatic of Champaign Urbana	2918 Hundman Drive, Suite A	Champaign	IL	61822	217 352 8899	Keithatsteamatic05@yahoo.com
Crippin	Mark	Steamatic of North Indianapolis	13833 Conner Knoll Parkway	Fishers	IN	46038	317-766-0227	markc@steamaticnorthindy.com
Rindels	Ron	Steamatic of Southwest Kansas	1100 Jefferson	Hugoton	KS	67951	620-544-8503	rindels@pld.com
Suhler	Adam	Steamatic of Central Kansas	102 East Ave S.	Lyons	KS	67554	620-680-9014	asuhler@hotmail.com
Basco	Randy	Steamatic of Central Louisiana	5735 Gene Ball Dr.	Alexandria	LA	71302	318- 442-7180	deborahjfletcher@bellsouth.net
Fenton	Mark	Steamatic of Greater Portland	4 Hemlock LN.	Gray	ME	4039	207- 657-3088	steamaticofportland@yahoo.com
McNamara	John	Steamatic of Twin Cities	5100 Morningside Road St.	Louis Park	MN	55416	651- 481-4991	john@steamatictc.com
McDowell	Jason	Steamatic of Kansas City	1249 Burlington St.	North Kansas City	MO	64616	816- 421-3393	jbocchino@steamatickc.com

Last Name	First Name	Entity Name	Address	City	State	Zip Code	Phone	Email
Hill	David	Steamatic of Central Nebraska	304 S. Pine St.	Grand Island	NE	68801	308-384-8071	steamatic.clean@outlook.com
Lehman	Ken	Steamatic of Southern Nevada	2851 Synergy St.	North Las Vegas	NV	89030	702 -633-0383	tzachea@steamaticlv.com
Becker	Jerry	Steamatic of Albuquerque	8508 Paseo Alameda NE	Albuquerque	NM	87113	505-883-7766	jerry@steamaticnm.com
Benoit	Marcus	Steamatic of Red River Valley	4693 13th Ave	North Fargo	ND	58102	701-746-1856	mbenoit@steamaticrrv.com
Kang	Bobby	Steamatic of CC&R of Enid	1613 N. Van Buren	Enid	OK	73703	580-233-9000	aaronsenid@gmail.com
Aycock	Clint	Steamatic of Greenville	248 Neely Ferry Road	Simpsonville	SC	29680	864-962-5410	clint.steamatic@gmail.com
Slaten	Kevin	Steamatic of Brazos Valley	752 North Harvey Mitchell Rd	Bryan	TX	77807	979-696-0101	kevinslaten@aol.com
Sims	Jarrod	Steamatic of DFW	4909 Blue Mound Rd	Fort Worth	TX	76106	817-632-1555	jsims@steamaticdfw.com
Diharce	Mike	Steamatic of Hill Country	508 Mill Run	Kerrville	TX	78028	830-895-5575	steamatic@windstream.net
Wall	Scott	Steamatic of Galveston	1301 Linton Dr.	La Marque	TX	77510	409-935-4844	scott@gulfcoaststeamatic.com
Martinez	Cipriano	Steamatic of Rio Grande	1826 East Griffen Pkwy, Suite B	Mission	TX	78572	756 928 1119	Irarssteam189@outlook.com
Tuttle	Brian	Steamatic of East Texas	3411 Robertson Rd	Tyler	TX	75701	903-597-2381	lis@steamatic.net
Williams	Glenn	Steamatic of Northern Utah	2675 Industrial Dr. #103	North Ogden	UT	84401	801-399-9152	glennw@steamaticnorthernutah.com
Chim	Renee	Steamatic of VA Beach	121 Price St., Unit 402	Virginia Beach	VA	23462	786-253-0227	rchim@steamaticvab.com
Aguilar	Stefan	Steamatic of VA Peninsula	101 Ingram Rd. #16	Williamsburg	VA	23188	757-532-1087	stefanbaguilar@cox.net
Backstrom	Josh	Steamatic of Western Wisconsin	4755 London Road	Eau Claire	WI	54001	715-834-8822	dbackstrom@steamaticwwi.com

Franchisees with Unopened Outlets as of December 31, 2023:

Last Name	First Name	Entity Name	Address	City	State	Zip Code	Phone	Email
Hamidi*	Dana/Bardia	Steamatic of Fresno	1373 E. Vartikian Ave	Fresno	CA	93710	559-213-2177	hello@valleysteamtic.com

*Has opened as of the Issuance Date.

Former Franchisees:

The name and last known address of every franchisee who had a Steamatic Franchise transferred, terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement during the period January 1, 2023 to December 31, 2023, or who has not communicated with us within ten weeks of the Issuance Date of this Franchise Disclosure Document are listed below. If you buy this Franchise, your contact information may be disclosed to other buyers when you leave the Franchise System.

Last Name	First Name	Entity Name	Address	City	State	Zip Code	Phone	Email
McFall	Keith	Steamatic of Champaign Urbana	2918 Hundman Drive	Champaign	IL	61882	217-352-8899	Keithsteamtic05@yahoo.com
Stefanek	Gerald	Steamatic of West Penn	45 W. Main St	Sharpsville	PA	16150	724-962-1910	martha@westpennsteamatic.com

EXHIBIT E

STATE ADDENDA
AND AGREEMENT RIDERS

STATE ADDENDA AND AGREEMENT RIDERS

ADDENDUM TO FRANCHISE AGREEMENT, SUPPLEMENTAL AGREEMENTS, AND FRANCHISE DISCLOSURE DOCUMENT FOR CERTAIN STATES FOR STEAMATIC, LLC

The following modifications are made to the Steamatic, LLC ("**Franchisor**," "**us**," "**we**," or "**our**") Franchise Disclosure Document ("**FDD**") given to franchisee ("**Franchisee**," "**you**," or "**your**") and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement between you and us dated _____, 20___ ("**Franchise Agreement**"). When the term "**Franchisor's Choice of Law State**" is used, it means Texas. When the term "**Supplemental Agreements**" is used, it means none.

Certain states have laws governing the franchise relationship and franchise documents. Certain states require modifications to the FDD, Franchise Agreement and other documents related to the sale of a franchise. This State-Specific Addendum ("**State Addendum**") will modify these agreements to comply with the 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 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, Iowa, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Ohio, 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.

CALIFORNIA

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

California Corporations Code Section 310.114.1 requires us to disclose the following information about the Franchise Agreement:

The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the Franchise be delivered together with the FDD 14 days prior to execution of the agreement.

California Corporations Code Section 31125 requires us to give to you an FDD approved by the California Department of Financial Protection and Innovation before we ask you to consider a material modification of your Franchise Agreement.

The Franchise Agreement contains provisions requiring binding arbitration with the costs being awarded to the prevailing party. The arbitration will occur in Texas. 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 the Franchise Agreement restricting venue to a forum outside the State of California. The Franchise Agreement contains a mediation provision. The parties shall each bear their own costs of mediation and shall share equally the filing fee and the mediator's fees.

The Franchise Agreement requires the application of the laws of the State of Texas. This provision may not be enforceable under California law.

Neither Franchisor nor any other person listed 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.

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 contains a provision that is inconsistent with the California Franchise Investment Law, the California Franchise Investment Law will control.

The Franchise Agreement provides for termination upon bankruptcy. Any such provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. SEC. 101 et seq.).

The Franchise Agreement contains a covenant not to compete provision which extends beyond the termination of the Franchise. Such provisions may not be enforceable under California law.

Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable. Any such provisions contained in the Franchise Agreement may not be enforceable.

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).

Our website (www.steamatic.com) has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of this website may be directed to the California Department of Financial Protection and Innovation at www.dfpi.ca.gov.

Item 6 of the FDD is amended to state the highest interest rate allowed by law in California is 10% annually.

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

Any provision of a franchise agreement, franchise disclosure document, acknowledgment, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable: (a) Representations made by the franchisor or its personnel or agents to a prospective franchisee; (b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents; (c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto; (d) Violations of any provision of this division.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any

statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Financial Assurance

The Department of Financial Protection and Innovation requires that the franchisor defer the collection of all initial fees from California franchisees until the franchisor has completed all its pre-opening obligations and franchisee is open for business.

HAWAII

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.

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

The status of the Franchisor's franchise registrations in the states which require registration is as follows:

1. States in which this proposed registration is effective are listed in Exhibit I of the FDD on the page entitled, "State Effective Dates."

2. States which have refused, by order or otherwise, to register these Franchises are:

None

3. States which have revoked or suspended the right to offer the Franchises are:

None

4. States in which the proposed registration of these Franchises has been withdrawn are:

None

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

ILLINOIS

Sections 4 and 41 and Rule 608 of the Illinois Franchise Disclosure Act states that court litigation must take place before Illinois federal or state courts and all dispute resolution arising from the terms of this Agreement or the relationship of the parties and conducted through arbitration or litigation shall be subject to Illinois law. The FDD, Franchise Agreement and Supplemental Agreements are amended accordingly.

The governing law or choice of law clause described in the FDD and contained in the Franchise Agreement and Supplemental Agreements is not enforceable under Illinois law. This governing law clause shall not be construed to negate the application of Illinois law in all situations to which it is applicable.

Section 41 of the Illinois Franchise Disclosure Act states that "any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void." The Franchise Agreement is amended accordingly. To the extent that the Franchise Agreement would otherwise violate Illinois law, such Agreement is amended by providing that all litigation by or between you and us, arising directly or indirectly from the Franchise relationship, will be commenced and maintained in the state courts of Illinois or, at our election, the United States District Court for Illinois, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements, and Illinois law will pertain to any claims arising under the Illinois Franchise Disclosure Act.

Item 17.v, Choice of Forum, of the FDD is revised to include the following: "provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act."

Item 17.w, Choice of Law, of the FDD is revised to include the following: "provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act."

The termination and non-renewal provisions in the Franchise Agreement and the FDD may not be enforceable under Sections 19 and 20 of the Illinois Franchise Disclosure Act.

Under Section 705/27 of the Illinois Franchise Disclosure Act, no action for liability under the Illinois Franchise Disclosure Act can be maintained unless brought before the expiration of three years after the act or transaction constituting the violation upon which it is based, the expiration of one year after you become aware of facts or circumstances reasonably indicating that you may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to you of a written notice disclosing the violation, whichever shall first expire. To the extent that the Franchise Agreement is inconsistent with the Illinois Franchise Disclosure Act, Illinois law will control and supersede any inconsistent provision(s).

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

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

INDIANA

Item 8 of the FDD is amended to add the following:

> Under Indiana Code Section 23-2-2.7-1(4), we will not accept any rebates from any person with whom you do business or associate in relation to transactions between you and the other person, other than for compensation for services rendered by us, unless the rebate is properly accounted for and submitted to you.

Item 17 of the FDD is amended to add the following:

> Indiana Code 23-2-2.7-1(7) makes it unlawful for us to unilaterally terminate your Franchise Agreement unless there is a material violation of the Franchise Agreement and termination is not in bad faith.
>
> Indiana Code 23-2-2.7-1(5) prohibits us to require you to agree to a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Act.

The "Summary" column in Item 17.r. of the FDD is deleted and the following is inserted in its place:

> No competing business for two years within the Territory.

The "Summary" column in Item 17.t. of the FDD is deleted and the following is inserted in its place:

> Notwithstanding anything to the contrary in this provision, you do not waive any right under the Indiana Statutes with regard to prior representations made by us.

The "Summary" column in Item 17.v. of the FDD is deleted and the following is inserted in its place:

> Litigation regarding Franchise Agreement in Indiana; other litigation in Franchisor's Choice of Law State. This language has been included in this Franchise Disclosure Document as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement, including all venue provisions, is fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by them, including but not limited to, all

venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

The "Summary" column in Item 17.w. of the FDD is deleted and the following is inserted in its place:

Indiana law applies to disputes covered by Indiana franchise laws; otherwise Franchisor's Choice of Law State law applies.

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all Franchises offered and sold in the State of Indiana:

1. The laws of the State of Indiana supersede any provisions of the FDD, the Franchise Agreement, or Franchisor's Choice of Law State law, if such provisions are in conflict with Indiana law.

2. 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 under law as including any material breach of the Franchise Agreement, will supersede the provisions of the Franchise Agreement relating to termination for cause, to the extent those provisions may be inconsistent with such prohibition.

3. Any provision in the Franchise 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.

4. The covenant not to compete that applies after the expiration or termination of the Franchise Agreement for any reason is hereby modified to the extent necessary to comply with Indiana Code 23-2-2.7-1 (9).

5. The following provision will be added to the Franchise Agreement:

> No Limitation on Litigation. Despite the foregoing provisions of this Agreement, any provision in the Agreement which limits in any manner whatsoever litigation brought for breach of the Agreement will be void to the extent that any such contractual provision violates the Indiana Deceptive Franchise Practices Law.

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

IOWA

Any provision in the Franchise Agreement or Compliance Questionnaire which 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 Iowa Business Opportunity Promotions Law (Iowa Code Ch. 551A) is void to the extent that such provision violates such law.

The following language will be added to the Franchise Agreement:

NOTICE OF CANCELLATION

_____ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within three business days from the above date. If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within ten business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your residence or business address, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do not agree to return the goods to the seller or if the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to Steamatic, LLC, 4320 Marsh Ridge Rd, Suite 190, Carrollton, TX 75010, not later than midnight of the third business day after the Effective Date.

I hereby cancel this transaction.

Franchisee: _____

By: _____

Print Name: _____

Its: _____

Date: _____

MARYLAND

AMENDMENTS TO FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

Item 17 of the FDD and the Franchise Agreement are amended to state: "The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law."

Representations in the Franchise Agreement 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.

Item 17 of the FDD and sections of the Franchise Agreement are amended to state that you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the Franchise.

The Franchise Agreement and Franchise Disclosure Questionnaire are amended to state that all representations requiring prospective franchisees to assent to a release, estoppel, or waiver of liability are not intended to, nor shall they act as, a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A Sec. 101 et seq.).

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

Fee Deferral

Item 5 and Item 7 of the FDD and the Franchise Agreement are amended to state: Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owned by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____ 20 _____.

FRANCHISOR	FRANCHISEE

MICHIGAN

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

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

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

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

(c) A provision that permits us to terminate a Franchise prior to the expiration of its term except for good cause. Good cause shall include your failure 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 us to refuse to renew your Franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory,

supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to us 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 five years; and (ii) you are prohibited by the Franchise Agreement or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the Franchise or you do not receive at least six months' advance notice of our intent not to renew the Franchise.

(e) A provision that permits us 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 the State of Michigan. This shall not preclude you from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits us to refuse to permit a transfer of ownership of a Franchise, except for good cause. This subdivision does not prevent us 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 our then-current reasonable qualifications or standards.

(ii) the fact that the proposed transferee is a competitor of us or our subfranchisor.

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

(iv) your or proposed transferee's failure to pay any sums owing to us or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

(h) A provision that requires you to resell to us items that are not uniquely identified with us. This subdivision does not prohibit a provision that grants to us 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 us the right to acquire the assets of a Franchise for the market or appraised value of such assets if you have breached the lawful provisions of the Franchise Agreement and have failed to cure the breach in the manner provided in subdivision (c).

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

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

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
Consumer Protection Division
Attn: Franchise
670 Law Building
525 W. Ottawa Street
Lansing, Michigan 48913
Telephone Number: (517) 373-7117

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

MINNESOTA

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all Franchises offered and sold in the State of Minnesota:

1. Any provision in the Franchise Agreement which would require you to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22 will be void to the extent that such contractual provision violates such law.

2. Minnesota Statute Section 80C.21 and Minnesota Rule 2860.4400J prohibit the franchisor from requiring litigation to be conducted outside of Minnesota. In addition, nothing in the FDD or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of Minnesota.

3. Minn. Rule Part 2860.4400J prohibits a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes. Any provision in the Franchise Agreement which would require you to waive your rights to any procedure, forum or remedies provided for by the laws of the State of Minnesota is deleted from any agreement relating to Franchises offered and sold in the State of Minnesota; provided, however, that this paragraph will not affect the obligation in the Franchise Agreement relating to arbitration.

4. With respect to Franchises governed by Minnesota law, 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; and that consent to the transfer of the Franchise will not be unreasonably withheld.

5. Item 13 of the FDD is hereby amended to state that we will protect your rights under the Franchise Agreement to use the Marks, or indemnify you from any loss, costs, or expenses arising out of any third-party claim, suit or demand regarding your use of the Marks, if your use of the Marks is in compliance with the provisions of the Franchise Agreement and our System standards.

6. Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release. As a result, the FDD and the Franchise Agreement, which require you to sign a general release prior to renewing or transferring your Franchise, are hereby deleted from the Franchise Agreement to the extent required by Minnesota law.

7. The following language will appear as a new paragraph of the Franchise Agreement:

> No Abrogation. Pursuant to Minnesota Statutes, Section 80C.21, nothing in the dispute resolution section of this Agreement will in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80.C.

8. Minnesota Statute Section 80C.17 states that no action for a violation of Minnesota Statutes, Sections 80C.01 to 80C.22 may be commenced more than three years after the cause of action accrues. To the extent that the Franchise Agreement conflicts with Minnesota law, Minnesota law will prevail.

9. Item 6 of the FDD and Section 4.L of the Franchise Agreement is hereby amended to limit the Non-Sufficient Funds Fee to $30 per occurrence pursuant to Minnesota Statute 604.113.

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

11. Fee Deferral: Items 5 and 7 of the FDD and the Franchise Agreement are amended to state: Payment of the Initial Franchise Fee shall be deferred until Franchisor has satisfied its pre-opening obligations to Franchisee and Franchisee has commenced doing business.

NEW YORK

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

> **INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR 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 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 CAN NOT 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:

With the exception of what is stated above, the following applies 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), titled "**Requirements for franchisee to renew or extend**," and Item 17(m), 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), titled "**Termination by franchisee**": You may terminate the agreement on any grounds available by law.

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

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

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

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

NORTH DAKOTA

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring that you sign a general release, estoppel or waiver as a condition of renewal and/or assignment may not be enforceable as they relate to releases of the North Dakota Franchise Investment Law.

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring resolution of disputes to be outside North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements relating to choice of law may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any section of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to liquidated damages and/or termination penalties may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to a waiver of trial by jury may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to a waiver of exemplary and punitive damages may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Item 17® of the FDD and Sections 8, 13C and 16D of the Franchise Agreement disclose the existence of certain covenants restricting competition to which Franchisee 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 Investment Law. The FDD and the Franchise Agreement are amended accordingly to the extent required by law.

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

OHIO

The following language will be added to the front page of the Franchise Agreement:

You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this agreement. See the attached notice of cancellation for an explanation of this right.

Initials_____ Date_____

NOTICE OF CANCELLATION

_____ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to Steamatic, LLC, 4320 Marsh Ridge Rd, Suite 190, Carrollton, TX 75010, not later than midnight of the fifth business day after the Effective Date.

I hereby cancel this transaction.

Franchisee:

Date: _____ By: _____

Print Name: _____

Its: _____

RHODE ISLAND

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act." The FDD, the Franchise Agreement, and the Supplemental Agreements are amended accordingly to the extent required by law.

The above language has been included in this FDD as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the

Franchise Agreement and the Supplemental Agreements, including all choice of law provisions, are fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement, the Supplemental Agreements, and all other documents signed by them, including, but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

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

SOUTH DAKOTA

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

VIRGINIA

Item 17(h). The following is added to Item 17(h):

> "Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement or Supplemental Agreements involve the use of undue influence by the Franchisor to induce a franchisee to surrender any rights given to franchisee under the Franchise, that provision may not be enforceable."

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the FDD for Steamatic, LLC for use in the Commonwealth of Virginia shall be amended as follows:

> Additional Disclosure. The following statements are added to Item 8 and Item 17.h.
>
> Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

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

WASHINGTON

ADDENDUM TO FRANCHISE AGREEMENT AND FRANCHISE DISCLOSURE DOCUMENT

The state of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement and Supplemental Agreements in your relationship with the franchisor, including the areas of termination and renewal of your Franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your Franchise. The FDD, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

In any arbitration involving a Franchise purchased in Washington, the arbitration site shall be either in Washington or in a place as mutually agreed upon at the time of the arbitration, or as determined by the arbitrator. The FDD, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail. The FDD, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

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

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer. The FDD, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

The general release included in Item 17(m) and Exhibit H-1 of the FDD and required by Sections 13.C, 14.A, and 16.E of the Franchise Agreement do not apply to claims arising under the Franchise Investment Protection Act, chapter 19.100 RCW, or any rule or order adopted thereunder, in accordance with RCW 19.100.220(2).

A liquidated damages provision in a Franchise Agreement may be construed as a penalty under Washington law if the amount is found to bear no reasonable relation to actual damages. As a result, the liquidated damages provision in Item 6 of the FDD and the Franchise Agreement may be unenforceable in Washington.

To be consistent with RCW 19.100.180, Item 17(o) of the FDD and Section 16.E of the Franchise

Agreement are amended to state the franchisor shall purchase from the franchisee the relevant assets upon expiration and termination with good cause at their fair market value at the time of expiration or termination, with such amounts permitted to be offset by any amounts owed by the franchisee to the franchisor.

Section 1.B(5) of the Franchise Agreement does not waive any claim that arises under the Franchise Investment Protection Act of Washington.

The Franchise Agreement is revised to state that the provision restricting a franchisee's immediate family member(s) from operating a competitive business is not applicable to such individuals, unless the individual has signed the Franchise Agreement, System Protection Agreement, Confidentiality Agreement, or other similar agreement of the Franchisor.

Section 15.D of the Franchise Agreement and the National Customer Account Participation Agreement contained in Exhibit H-8 of the FDD are revised to state that the franchisee will not indemnify the franchisor parties for the franchisor parties' gross negligence or willful misconduct.

Section 16.F of the Franchise Agreement is revised to state: "All of our and your and your owners' obligations which expressly or by their nature survive this Franchise Agreement's expiration or termination, including those post-termination obligations set forth in this Section 16, will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or expire by their nature.

The venue provision of Section 18.I of the Franchise Agreement does not apply to Washington franchisees.

RCW 19.100.180(1) provides that the franchisor deal with the franchisee in good faith. As a result, any such provisions contained in the franchise agreement, including Section 18.M and 18.N or elsewhere, will not apply to Washington franchisees to the extent they contravene RCW 19.100.180.

Section 8.9 of the Owner Agreement contained in the Franchise Agreement does not apply to Washington franchisees to the extent it contravenes RCW 19.100.220(2)or RCW 19.100.180(2)(g).

Section 8.10 of the Owner Agreement contained in the Franchise Agreement is revised to state: "In the event of any discrepancy between this Franchise Owner Agreement and the Franchise Agreement, this Franchise Owner Agreement shall control. Notwithstanding the foregoing, we are not expressly aware of any such discrepancies as of the effective date of this Franchise Owner Agreement.

Section 7 of the System Protection Agreement and Section 5 of the Confidentiality Agreement state franchisee agrees to waive any right to challenge the terms of the brand covenants as being overly broad, unreasonable or otherwise unenforceable. These provisions do not apply to Washington franchisees to the extent they contravene RCW 19.100.220(2) and RCW 111.180(2)(g).

Section 7 of the Approval of Requested Assignment contained in Exhibit H-5 of the FDD states: "New Franchisee agrees that any claims, disputes, or issues relating New Franchisee's acquisition of the Franchised Business from Franchisee are between New Franchisee and Former Franchisee, and shall not involve Franchisor." This provision does not apply to Washington franchisees to the extent it contravenes RCW 19.100.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any

statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Fee Deferral

Items 5 and 7 of the FDD and the Franchise Agreement are amended to state that franchisor will defer collection of the initial franchise fee until franchisor has fulfilled its pre-opening obligations to the franchisee and the franchise is open for business.

WISCONSIN

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

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

(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 Addenda shall be incorporated into the Franchise Disclosure Document, Franchise Agreement 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 and other specified agreement(s), the terms of the Applicable Addenda shall supersede the terms of the Franchise Agreement.

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

Dated: _____, 20____

FRANCHISOR:

STEAMATIC, LLC

By: _____

Title: _____

FRANCHISEE:

_____

_____

By: _____

Title: _____

Rev. 071823

EXHIBIT F

ONLINE SUPPORT MANUAL

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EXHIBIT G

FRANCHISE DISCLOSURE QUESTIONNAIRE

FRANCHISE DISCLOSURE QUESTIONNAIRE

(This questionnaire is not to be used for any franchise sale in or to residents of California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin)

As you know, Steamatic, LLC ("we" or "us"), and you are preparing to enter into a Franchise Agreement for the operation of a Steamatic franchise. **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.** Please review each of the following questions carefully and provide honest responses to each question. If you answer "No" to any of the questions below, please explain your answer in the table provided below.

Do not sign this Questionnaire if you are a resident of Maryland or the franchise is to be operated in Maryland.

l.	Yes__	No__	Have you received and personally reviewed the Franchise Agreement and each attachment or exhibit attached to it that we provided?
2.	Yes__	No__	Have you received and personally reviewed the Franchise Disclosure Document and each attachment or exhibit attached to it that we provided?
3.	Yes__	No__	Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?
4.	Yes__	No__	Do you understand all the information contained in the Franchise Disclosure Document and Franchise Agreement?
5.	Yes__	No__	Have you reviewed the Franchise Disclosure Document and Franchise Agreement with a lawyer, accountant, or other professional advisor, or have you had the opportunity for such review and chosen not to engage such professionals?
6.	Yes__	No__	Have you had the opportunity to discuss the benefits and risks of developing and operating a Steamatic Franchise with an existing Steamatic franchisee?
7.	Yes__	No__	Do you understand the risks of developing and operating a Steamatic Franchise?
8.	Yes__	No__	Do you understand the success or failure of your Steamatic 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?
9.	Yes__	No__	Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement must be arbitrated in Texas, if not resolved informally or by mediation (subject to state law)?

10. Yes__ No__ Do you understand that you must satisfactorily complete the initial training program before we will allow your Steamatic Franchise to open or consent to a transfer of the Steamatic Franchise to you?

11. Yes__ No__ Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a Steamatic Franchise that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

12. Yes__ No__ Do you agree that no employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement and any addendum, concerning advertising, marketing, media support, marketing penetration, training, support service, or assistance that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

13. Yes__ No__ Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a Steamatic Franchise will generate that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

14. Yes__ No__ Do you understand that the Franchise Agreement, including each attachment or exhibit to the Franchise Agreement, contains the entire agreement between us and you concerning the Steamatic Franchise?

15. Yes__ No__ Do you understand that we are relying on your answers to this questionnaire to ensure that the franchise sale was made in compliance of state and federal laws?

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)
Date _____	Date _____

EXPLANATION OF ANY NEGATIVE RESPONSES (REFER TO QUESTION NUMBER):

Question Number	Explanation of Negative Response

Rev. 071823

EXHIBIT H

CONTRACTS FOR USE WITH THE STEAMATIC FRANCHISE

The following contracts contained in Exhibit H are contracts that Franchisee is required to utilize or execute after signing the Franchise Agreement in the operation of the Steamatic Business. The following are the forms of contracts that Steamatic, LLC uses as of the Issuance Date of this Franchise Disclosure Document. If they are marked "Sample," they are subject to change at any time.

EXHIBIT H-1

STEAMATIC FRANCHISE

SAMPLE GENERAL RELEASE AGREEMENT

WAIVER AND RELEASE OF CLAIMS

This Waiver and Release of Claims ("Release") is made as of _____, 20___ by _____, a(n) _____ ("Franchisee"), and each individual holding an ownership interest in Franchisee (collectively with Franchisee, "Releasor") in favor of Steamatic, LLC, a Florida limited liability company ("Franchisor," and together with Releasor, the "Parties").

WHEREAS, Franchisor and Franchisee have entered into a Franchise Agreement ("Agreement") pursuant to which Franchisee was granted the right to own and operate a Steamatic business;

WHEREAS, (**Franchisee has notified Franchisor of its desire to transfer the Agreement and all rights related thereto, or an ownership interest in Franchisee, to a transferee/enter into a successor franchise agreement/amend the Agreement)** or **(the Agreement is being terminated/or indicate other reason for the requirement of this waiver and release)**, and Franchisor has consented to such **(transfer/successor franchise agreement/amendment/termination/other reason)**; and

WHEREAS, as a condition to Franchisor's consent to **(transfer the Agreement/enter into a successor franchise agreement/amend the Agreement/terminate the Agreement/other reason)**, Releasor has agreed to execute this Release upon the terms and conditions stated below.

NOW, THEREFORE, in consideration of Franchisor's consent, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, Releasor hereby agrees as follows:

1. Representations and Warranties. Releasor represents and warrants that it is duly authorized to enter into this Release and to perform the terms and obligations herein contained, and has not assigned, transferred, or conveyed, either voluntarily or by operation of law, any of its rights or claims against Franchisor or any of the rights, claims, or obligations being terminated and released hereunder. Each individual executing this Release on behalf of Franchisee represents and warrants that he/she is duly authorized to enter into and execute this Release on behalf of Franchisee. Releasor further represents and warrants that all individuals that currently hold a direct or indirect ownership interest in Franchisee are signatories to this Release.

2. Release. Releasor and its subsidiaries, affiliates, parents, divisions, successors and assigns, and all persons or firms claiming by, through, under, or on behalf of any or all of them, hereby release, acquit, and forever discharge Franchisor, any and all of its affiliates, parents, subsidiaries, or related companies, divisions, and partnerships, and its and their past and present officers, directors, agents, partners, shareholders, employees, representatives, successors and assigns, and attorneys, and the spouses of such individuals (collectively, the "Released Parties"), from any and all claims, liabilities, damages, expenses, actions, or causes of action which Releasor may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever, including without limiting the generality of the foregoing, all claims, liabilities, damages, expenses, actions, or causes of action directly or indirectly arising out of or relating to the execution and performance of the Agreement and the offer and sale of the

franchise related thereto, except to the extent such liabilities are payable by the applicable indemnified party in connection with a third-party claim.

3. Nondisparagement. Releasor expressly covenants and agrees not to make any false representation of facts, or to defame, disparage, discredit, or deprecate any of the Released Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Released Parties, their business, or their reputation.

4. Confidentiality. Releasor agrees to hold in strictest confidence and not disclose, publish, or use the existence of, or any details relating to, this Release to any third party without Franchisor's express written consent, except as required by law.

5. Miscellaneous.

a. Releasor agrees that it has read and fully understands this Release and that the opportunity has been afforded to Releasor to discuss the terms and contents of said Release with legal counsel and/or that such a discussion with legal counsel has occurred.

b. This Release shall be construed and governed by the laws of the State of Texas.

c. Each individual and entity that comprises Releasor shall be jointly and severally liable for the obligations of Releasor.

d. 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 Release, the prevailing Party in such action shall be entitled to recover all of its reasonable costs and attorneys' fees.

e. All of the provisions of this Release shall be binding upon and inure to the benefit of the Parties and their current and future respective directors, officers, partners, attorneys, agents, employees, shareholders, and the spouses of such individuals, successors, affiliates, and assigns. No other party shall be a third-party beneficiary to this Release.

f. This Release constitutes the entire agreement and, as such, supersedes all prior oral and written agreements or understandings between and among the Parties regarding the subject matter hereof. This Release may not be modified except in a writing signed by all of the Parties. This Release may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

g. If one or more of the provisions of this Release 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 Release, but this Release shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein.

h. Releasor agrees to do such further acts and things and to execute and deliver such additional agreements and instruments as any Released Party may reasonably require to consummate, evidence, or confirm the Release contained herein in the matter contemplated hereby.

i. This Release is inapplicable with respect to claims arising under the Washington Franchise Investment Protection Act, chapter 19.100 RCW, and the rules adopted thereunder in accordance with RCW 19.100.220.

(Signatures on following page)

IN WITNESS WHEREOF, Releasor has executed this Release as of the date first written above.

FRANCHISEE:

_____, a

_____

By: _____

Printed Name: _____

Title: _____

FRANCHISEE'S OWNERS:

Date _____

_____
Signature

_____
Typed or Printed Name

_____
Signature

_____
Typed or Printed Name

Rev. 092122

EXHIBIT H-2

STEAMATIC FRANCHISE

SAMPLE SYSTEM PROTECTION AGREEMENT

This System Protection Agreement ("Agreement") is entered into by the undersigned ("you" or "your") in favor of Steamatic, LLC, a Florida limited liability company, and its successors and assigns ("us," "we," or "our"), 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: (i) any business which provides restoration and cleaning services or any similar products and/or services; or (ii) any business granting franchises or licenses to others to operate the type of business specified in subparagraph (i); provided that a Steamatic Franchise operated under a franchise agreement shall not be deemed a Competitive Business.

"Copyrights" means all works and materials for which we or our affiliate have secured common law or registered copyright protection and that we allow franchisees to use, sell, or display in connection with the marketing and/or operation of a Steamatic business or the solicitation or offer of a Steamatic franchise, whether now in existence or created in the future.

"Franchisee" means the Steamatic franchisee for which you are a manager or officer.

"Franchisee Territory" means the territory granted to you pursuant to a franchise agreement with us.

"Intellectual Property" means, collectively or individually, our Marks, Copyrights, Know-how, and System.

"Know-how" means all of our trade secrets and other proprietary information relating to the development, construction, marketing, and/or operation of a Steamatic business, including, but not limited to, methods, techniques, specifications, proprietary practices and procedures, policies, marketing strategies, and information comprising the System and the Manual.

"Manual" means our confidential online support brand standards manual for the operation of a Steamatic business, which may be periodically modified by us.

"Marks" means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a Steamatic business, including "STEAMATIC," and any other trademarks, service marks, or trade names that we designate for use by a Steamatic business. The term "Marks" also includes any distinctive trade dress used to identify a Steamatic business, whether now in existence or hereafter created.

"Prohibited Activities" means any or all of the following: (i) 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); (ii) diverting or attempting to divert any business from us (or one of our affiliates or franchisees); and/or (iii) inducing or

attempting to induce 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-year period after you cease to be a manager or officer of Franchisee's Steamatic business; 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-year period after you cease to be a manager or officer of Franchisee's Steamatic business.

"Restricted Territory" means the geographic area within: (i) a 25-mile radius from Franchisee's Steamatic business (and including the premises of the approved location of Franchisee); and (ii) a 25-mile radius from all other Steamatic businesses that are operating or under construction as of the beginning 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 a 12.5-mile radius from Franchisee's Steamatic business (and including the premises of the approved location of Franchisee).

"System" means our system for the establishment, development, operation, and management of a Steamatic business, including Know-how, proprietary programs and products, Manual, and operating system.

2. Background. You are a manager or officer of Franchisee. As a result of this relationship, you may gain knowledge of our System. You understand that protecting the Intellectual Property and our System are vital to our success and that of our franchisees and that you could seriously jeopardize our entire 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: (i) you will not use the Know-how in any business or capacity other than the Steamatic business operated by Franchisee; (ii) you will maintain the confidentiality of the Know-how at all times; (iii) you will not make unauthorized copies of documents containing any Know-how; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Know-how; and (v) you will stop using the Know-how immediately if you are no longer a manager or officer of Franchisee's Steamatic business. You further agree that you will not use all or part of the Intellectual Property or all or part of the System for any purpose other than the performance of your duties for Franchisee and within the scope of your employment or other engagement with Franchisee. These restrictions on Know-how, Intellectual Property and the System shall not apply to any information which is information publicly known or becomes lawfully known in the public domain other than through a breach of this Agreement or is required or compelled by law to be disclosed, provided that you will give reasonable notice to us to allow us to seek protective or other court orders.

4. Unfair Competition During Relationship. You agree not to unfairly compete with us at any time while you are a manager or officer of Franchisee's Steamatic business by engaging in any Prohibited Activities.

5. Unfair Competition After Relationship. You agree not to unfairly compete with us during the Restricted Period by engaging in any Prohibited Activities; provided, however, that the Prohibited Activity relating to having an interest in a Competitive Business will only apply with respect to a Competitive Business that is located within or provides competitive goods or services to customers who are located within the Restricted Territory. If you engage in any Prohibited Activities during the Restricted Period, then you agree that your Restricted Period will be extended by the period of time during which you were engaging in the Prohibited Activity.

6. Immediate Family Members. You acknowledge that you could circumvent the purpose of this Agreement by disclosing Know-how to an immediate family member (i.e., spouse, parent, sibling, child, grandparent or grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed the Know-how to family members. Therefore, you agree that 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 that you did not disclose the Know-how to the family member.

7. Covenants Reasonable. You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and 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 failure to comply with the terms of this Agreement will cause substantial and irreparable damage to us and/or other Steamatic 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 that we may apply for such injunctive relief without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours 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 that 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, our owners or our affiliates, 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 pursue legal remedies 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. If 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.

EXECUTED on the date stated below.

Date_____ _____

Signature

_____

Typed or Printed Name

Rev. 120619

EXHIBIT H-3

STEAMATIC FRANCHISE

SAMPLE CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement ("Agreement") is entered into by the undersigned ("you") in favor of Steamatic, LLC, a Florida 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(s) have secured common law or registered copyright protection and that we allow Steamatic franchisees to use, sell, or display in connection with the marketing and/or operation of a Steamatic Business, whether now in existence or created in the future.

"Franchisee" means the Steamatic franchisee for which you are an employee, independent contractor, agent, representative, or supplier.

"Intellectual Property" means, collectively or individually, our Marks, Copyrights, Know-how, Manual, and System.

"Know-how" means all of our trade secrets and other proprietary information relating to the development, construction, marketing, and/or operation of a Steamatic Business, including, but not limited to, methods, techniques, specifications, proprietary practices and procedures, policies, marketing strategies, and information comprising the System and the Manual.

"Manual" means our confidential online support brand standards manual for the operation of a Steamatic Business.

"Marks" means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a Steamatic Business, including "STEAMATIC" and any other trademarks, service marks, or trade names that we designate for use by a Steamatic Business. The term "Marks" also includes any distinctive trade dress used to identify a Steamatic Business, whether now in existence or hereafter created.

"Steamatic Business" means a business that operates mobile businesses that provide catastrophe restoration and cleaning services using Steamatic technology to restore structures and contents, including commercial and residential carpeting and hardwood flooring, window coverings, furniture cleaning, as well as other retail cleaning services, including cleaning air ducts and ventilation systems, window, patio and door screens, repairs and other related products and services using our Intellectual Property.

"System" means our system for the establishment, development, operation, and management of a Steamatic Business, including Know-how, proprietary programs and products, confidential online support brand standards manuals, and operating system.

2. Background. You are an employee, independent contractor, agent, representative, or supplier of Franchisee. Because of this relationship, you may gain knowledge of our Intellectual Property.

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 use such Intellectual Property in any way other than as described in this Agreement. In order to avoid such damage, you agree to comply with this Agreement.

3. Know-How and Intellectual Property: Nondisclosure and Ownership. You agree: (i) you will not use the Intellectual Property in any business or capacity other than for the benefit of the Steamatic Business operated by Franchisee or in any way detrimental to us or to the Franchisee; (ii) you will maintain the confidentiality of the Intellectual Property at all times; (iii) you will not make unauthorized copies of documents containing any Intellectual Property; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Intellectual Property; and (v) you will stop using the Intellectual Property immediately if you are no longer an employee, independent contractor, agent, representative, or supplier of Franchisee. You further agree that you will not use the Intellectual Property for any purpose other than the performing your duties for Franchisee and within the scope of your employment or other engagement with Franchisee.

The Intellectual Property is and shall continue to be the sole property of Steamatic, LLC. You hereby assign and agree to assign to us any rights you may have or may acquire in such Intellectual Property. Upon the termination of your employment or engagement with Franchisee, or at any time upon our or Franchisee's request, you will deliver to us or to Franchisee all documents and data of any nature pertaining to the Intellectual Property, and you will not take with you any documents or data or copies containing or pertaining to any Intellectual Property.

4. Immediate Family Members. You acknowledge you could circumvent the purpose of this Agreement by disclosing Intellectual Property to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed the Intellectual Property to family members. Therefore, you agree you will be presumed to have violated the terms of this Agreement if any member of your immediate family uses or discloses the Intellectual Property. However, you may rebut this presumption by furnishing evidence conclusively showing you did not disclose the Intellectual Property to the family member.

5. Covenants Reasonable. You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and 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 failure to comply with this Agreement will cause substantial and irreparable damage to us and/or other Steamatic franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of this Agreement will entitle us to injunctive relief. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, 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 that 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 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. Although this Agreement is entered into in favor of Steamatic, LLC, you understand and acknowledge that your employer/employee, independent contractor, agent, representative, or supplier relationship is with Franchisee and not with us, and for all purposes in connection with such relationship, you will look to Franchisee and not to us.

b. If we pursue legal remedies against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorney fees and costs in doing so.

c. 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.

d. Each section of this Agreement, including each subsection and portion, is severable. If 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.

EXECUTED on the date stated below.

Date_____ _____

Signature

_____

Typed or Printed Name

Rev. 032916

EXHIBIT H-4

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 Steamatic, 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: _____
Printed Name: _____
Its: _____

Federal Tax ID Number: _____

Rev. 032916

NOTE: FRANCHISEE MUST ATTACH A VOIDED CHECK RELATING TO THE BANK ACCOUNT.

EXHIBIT H-5

STEAMATIC FRANCHISE

SAMPLE APPROVAL OF REQUESTED ASSIGNMENT

This Approval of Requested Assignment ("**Agreement**") is entered into this _____ day of _____, 20_____, between Steamatic, LLC ("**Franchisor**"), a Florida limited liability company, _____ ("**Former Franchisee**"), the undersigned owners of Former Franchisee ("**Owners**") and _____, a(n) _____ ("**New Franchisee**").

RECITALS

WHEREAS, Franchisor and Former Franchisee entered into that certain franchise agreement dated _____, 20_____ ("**Former Franchise Agreement**"), in which Franchisor granted Former Franchisee the right to operate a Steamatic franchise located at _____ ("**Franchised Business**"); and

WHEREAS, Former Franchisee desires to assign ("**Requested Assignment**") the Franchised Business to New Franchisee, New Franchisee desires to accept the Requested Assignment of the Franchised Business from Former Franchisee, and Franchisor desires to approve the Requested Assignment of the Franchised Business from Former Franchisee to New Franchisee upon the terms and conditions contained in this Agreement, including that New Franchisee sign Franchisor's current form of franchise agreement together with all exhibits and attachments thereto ("**New Franchise Agreement**"), contemporaneously herewith.

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements herein contained, the parties hereto hereby covenant, promise, and agree as follows:

1. Payment of Fees. In consideration for the Requested Assignment, Former Franchisee acknowledges and agrees to pay Franchisor the Transfer Fee, as required under the Franchise Agreement ("**Franchisor's Assignment Fee**").

2. Assignment and Assumption. Former Franchisee hereby consents to assign all of its rights and delegate its duties with regard to the Former Franchise Agreement and all exhibits and attachments thereto from Former Franchisee to New Franchisee, subject to the terms and conditions of this Agreement, and conditioned upon New Franchisee's signing the New Franchise Agreement pursuant to Section 5 of this Agreement.

3. Consent to Requested Assignment of Franchised Business. Franchisor hereby consents to the Requested Assignment of the Franchised Business from Former Franchisee to New Franchisee upon receipt of the Franchisor's Assignment Fee from Former Franchisee and the mutual execution of this Agreement by all parties. Franchisor waives its right of first refusal set forth in the Former Franchise Agreement.

4. Termination of Rights to the Franchised Business. The parties acknowledge and agree that effective upon the date of this Agreement, the Former Franchise Agreement shall terminate and all of Former Franchisee's rights to operate the Franchised Business are terminated and that from the date of this Agreement only New Franchisee shall have the sole right to operate the Franchised Business under the New Franchise Agreement. Former Franchisee and the undersigned Owners agree to comply with all of the

covenants in the Former Franchise Agreement that expressly or by implication survive the termination, expiration, or transfer of the Former Franchise Agreement. Unless otherwise precluded by state law, Former Franchisee shall execute Franchisor's current form of General Release Agreement.

5. New Franchise Agreement. New Franchisee shall execute the New Franchise Agreement for the Franchised Business (as amended by the form of Addendum prescribed by Franchisor, if applicable), and any other required contracts for the operation of a Steamatic franchise as stated in Franchisor's Franchise Disclosure Document.

6. Former Franchisee's Contact Information. Former Franchisee agrees to keep Franchisor informed of its current address and telephone number at all times during the three-year period following the execution of this Agreement.

7. Acknowledgement by New Franchisee. New Franchisee acknowledges and agrees that the purchase of the rights to the Franchised Business ("**Transaction**") occurred solely between Former Franchisee and New Franchisee. New Franchisee also acknowledges and agrees that Franchisor played no role in the Transaction and that Franchisor's involvement was limited to the approval of Requested Assignment and any required actions regarding New Franchisee's signing of the New Franchise Agreement for the Franchised Business. New Franchisee agrees that any claims, disputes, or issues relating New Franchisee's acquisition of the Franchised Business from Franchisee are between New Franchisee and Former Franchisee, and shall not involve Franchisor.

8. Representation. Former Franchisee warrants and represents that it has not heretofore assigned, conveyed, or disposed of any interest in the Former Franchise Agreement or Franchised Business. New Franchisee hereby represents that it received Franchisor's Franchise Disclosure Document and did not sign the New Franchise Agreement or pay any money to Franchisor or its affiliate for a period of at least 14 calendar days after receipt of the Franchise Disclosure Document.

9. Notices. Any notices given under this Agreement shall be in writing, and if delivered by hand, or transmitted by U.S. certified mail, return receipt requested, postage prepaid, or via telegram or telefax, shall be deemed to have been given on the date so delivered or transmitted, if sent to the recipient at its address or telefax number appearing on the records of the sending party.

10. Further Actions. Former Franchisee and New Franchisee each agree to take such further actions as may be required to effectuate the terms and conditions of this Agreement, including any and all actions that may be required or contemplated by the Former Franchise Agreement.

11. Affiliates. When used in this Agreement, the term "**Affiliates**" has the meaning as given in Rule 144 under the Securities Act of 1933.

12. Miscellaneous. This Agreement may not be changed or modified except in a writing signed by all of the parties hereto. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same document. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

13. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Texas.

(Signature on following page)

IN WITNESS WHEREOF, the parties have executed this Agreement under seal, with the intent that this be a sealed instrument, as of the day and year first above written.

FRANCHISOR:

STEAMATIC, LLC

By: _____

Printed Name: _____

Title: _____

FORMER FRANCHISEE:

_____

By: _____

Printed Name: _____

Title: _____

NEW FRANCHISEE:

_____

By: _____

Printed Name: _____

Title: _____

Rev. 031821

EXHIBIT H-6

STEAMATIC FRANCHISE

LEASE ADDENDUM

This Addendum to Lease ("**Addendum**"), dated _____, 20___, is entered into by and between _____ ("**Landlord**"), _____ ("**Tenant**") and Steamatic, LLC ("**Franchisor**"), collectively referred to herein as the "**Parties**."

A. Landlord and Tenant have entered into a certain Lease Agreement dated _____, 20___, and pertaining to the premises located at _____ ("**Lease**").

B. Landlord acknowledges that Tenant intends to operate a franchised business from the leased premises ("**Premises**") pursuant to a Franchise Agreement ("**Franchise Agreement**") with Franchisor under Franchisor's trademarks and other names designated by Franchisor (herein referred to as "**Franchised Business**" or "**Franchise Business**").

C. The parties now desire to supplement the terms of the Lease in accordance with the terms and conditions contained herein.

NOW, THEREFORE, it is hereby mutually covenanted and agreed among the Parties as follows:

1. Use of the Premises. During the term of the Franchise Agreement, the Premises shall be used only for the operation of the Franchised Business.

2. Franchise System. Landlord hereby consents to Tenant's use of such proprietary marks, signs, interior and exterior décor items, color schemes and related components of the Franchised Business required by Franchisor. Tenant's use of such items shall at all times be in compliance with all applicable laws, ordinances, rules and regulations of governmental authorities having jurisdiction over the Premises.

3. Assignment. Tenant shall have the right, without further consent from Landlord, to sublease or assign all of Tenant's right, title, and interest in the Lease to an assignee of the Tenant or the Franchised Business ("**Franchise Assignee**") at any time during the term of the Lease, including any extensions or renewals thereof. In addition, if Tenant fails to timely cure any default under either the Lease or the Franchise Agreement, Franchisor or a Franchise Assignee that Franchisor designates, will, at its option, have the right, but not the obligation, to take an assignment of Tenant's interest under the Collateral Assignment of Lease or other form of assignment and assumption document reasonably acceptable to Landlord, provided such Franchise Assignee cures a default of the Lease no later than ten days following the end of Tenant's cure period. No assignment shall be effective until: (i) a Franchise Assignee gives Landlord written notice of its acceptance of the assignment and assumption of the Lease; and (ii) Tenant or the Franchisee Assignee has cured all material defaults of the Lease for which it has received notice from Landlord. Nothing contained herein or in any other document shall create any obligation or liability of Franchisor, any Franchise Assignee, or guarantor thereof under the Lease unless and until the Lease is assigned to, and accepted in writing by a Franchise Assignee. In the event of any assignment or purported assignment under this Addendum, Tenant shall remain liable under the terms of the Lease and the assignee or subtenant shall retain all of the Tenant's rights granted in the Lease including without limitation: (x) any grant of a protected territory or use exclusivity; and (y) the renewal or extension of the Lease term. With

respect to any assignment proposed or consummated under this Addendum, Landlord hereby waives any rights it may have to: (A) recapture the Premises; (B) terminate the Lease; or (C) modify any terms or conditions of the Lease. If Franchisor accepts an assignment and assumes the Lease under this section, Franchisor shall have the right to further sublet or reassign the Lease to another Franchise Assignee without Landlord's consent in which event Franchisor shall be released from any obligation or liability under the Lease. As used in this Addendum, "**Franchise Assignee**" means: (i) Franchisor or Franchisor's parent, subsidiary, or affiliate; or (ii) any franchisee of Franchisor or of Franchisor's parent, subsidiary, or affiliate.

4. Default and Notice.

a. If Tenant defaults on or breaches the Lease and Landlord delivers a notice of default to Tenant, Landlord shall contemporaneously send a copy of such default notice to Franchisor. Franchisor shall have the right, but not the obligation, to cure the default during Tenant's cure period plus an additional ten (10) day period. Franchisor will notify Landlord whether it intends to cure the default prior to the end of Tenant's cure period.

b. All notices to Franchisor shall be sent by a reputable overnight delivery service to the following address:

Steamatic, LLC
4320 Marsh Ridge Rd, Suite 190
Carrollton, TX 75010

Franchisor may change its address for receiving notices by giving Landlord written notice of the new address. Landlord agrees that it will notify both Tenant and Franchisor of any change in Landlord's mailing address to which notices should be sent.

c. Tenant and Landlord agree not to terminate, or materially amend the Lease during the term of the Franchise Agreement or any renewal thereof without Franchisor's prior written consent. Any attempted termination, or material amendment shall be null and void and have no effect as to Franchisor's interests thereunder; and a clause to the effect shall be included in the Lease.

5. Termination or Expiration.

a. If Franchisor does not elect to take an assignment of the Tenant's interest, Landlord will allow Franchisor to enter the Premises, without being guilty of trespass and without incurring any liability to Landlord, to remove all signs, awnings, and all other items identifying the Premises as a Franchised Business and to make other modifications (such as repainting) as are reasonably necessary to protect the Franchisor's trademarks and franchise system and to distinguish the Premises from a Franchised Business provided that Franchisor repairs any damage caused to the Premises by exercise of its rights hereunder.

b. If any Franchise Assignee purchases any assets of Tenant, Landlord shall permit such Franchise Assignee to remove all the assets being purchased, and Landlord waives any lien rights that Landlord may have on such assets.

6. Consideration; No Liability.

a. Landlord acknowledges that the Franchise Agreement requires Tenant to receive Franchisor's approval of the Lease prior to Tenant executing the Lease and that this Addendum is a material requirement for Franchisor to approve the Lease. Landlord acknowledges Tenant would not lease the

Premises without this Addendum. Landlord also hereby consents to the Collateral Assignment of Lease from Tenant to Franchisor as evidenced by Attachment 1.

b. Landlord further acknowledges that Tenant is not an agent or employee of Franchisor, and Tenant has no authority or power to act for, or to create any liability on behalf of, or to in any way bind Franchisor or any Franchise Assignee, and that Landlord has entered into this with full understanding that it creates no duties, obligations, or liabilities of or against any Franchise Assignee.

7. Amendments. No amendment or variation of this Addendum shall be valid unless made in writing and signed by the Parties hereto.

8. Reaffirmation of Lease. Except as amended or modified herein, all of the terms, conditions, and covenants of the Lease shall remain in full force and effect and are incorporated herein by reference and made a part of this Addendum as though copies herein in full.

IN TESTIMONY WHEREOF, witness the signatures of the Parties hereto as of the day, month, and year first written above.

LANDLORD:	**TENANT:**
_____	_____
By: _____	By: _____
Printed Name: _____	Printed Name: _____
Title: _____	Title: _____

FRANCHISOR:

STEAMATIC, LLC

By: _____

Printed Name: _____

Title: _____

Rev. 022324

ATTACHMENT 1 TO LEASE ADDENDUM

COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, as of the ___ day of _____, 20___ ("**Effective Date**"), the undersigned, _____ ("**Assignor**") hereby assigns, transfers and sets over unto _____ ("**Assignee**") all of Assignor's right, title, and interest as tenant, in, to and under that certain lease, a copy of which is attached hereto as **Exhibit A** ("**Lease**") with respect to the premises located at _____. This Collateral Assignment of Lease ("**Assignment**") is for collateral purposes only and except as specified herein, Assignee shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment unless Assignee expressly assume the obligations of Assignor thereunder.

Assignor represents and warrants to Assignee that it has full power and authority to so assign the Lease and its interest therein, and that Assignor has not previously, and is not obligated to, assign or transfer any of its interest in the Lease or the premises demised thereby.

Upon a default by Assignor under the Lease or under that certain franchise agreement for a franchise between Assignee and Assignor ("**Franchise Agreement**"), or in the event of a default by Assignor under any document or instrument securing the Franchise Agreement, Assignee shall have the right and is hereby empowered, in Assignee's sole discretion, to: (i) cure Assignor's default of the Lease; (ii) take possession of the premises demised by the Lease; (iii) expel Assignor from the premises, either temporarily or permanently; (iv) terminate Assignor's rights, title, and interest in the Lease; and/or (v) assume the Lease. If Assignee expends sums to cure a default of the Lease, Assignor shall promptly reimburse Assignee for the cost incurred by Assignee in connection with such performance, together with interest thereon at the rate of two percent per month, or the highest rate allowed by law.

Assignor agrees it will not suffer or permit any surrender, termination, amendment, or modification of the Lease without the prior written consent of Assignee. Through the term of the Franchise Agreement and any renewals thereto, Assignor agrees that it shall elect and exercise all options to extend the term of or renew the Lease not less than 30 days before the last day that said option must be exercised, unless Assignee otherwise agrees in writing. Upon failure of Assignee to otherwise agree in writing, and upon failure of Assignor to so elect to extend or renew the Lease as stated herein, Assignor hereby irrevocably appoints Assignee as its true and lawful attorney-in-fact, which appointment is coupled with an interest to exercise the extension or renewal options in the name, place, and stead of Assignor for the sole purpose of effecting the extension or renewal.

(Signatures on following page)

IN WITNESS WHEREOF, Assignor and Assignee have signed this Collateral Assignment of Lease as of the Effective Date first above written.

ASSIGNOR:

_____

By: _____

Printed Name _____

Its: _____

ASSIGNEE:

_____

By: _____

Printed Name _____

Its: _____

Rev. 022324

EXHIBIT H-7

STEAMATIC FRANCHISE

SAMPLE ADDENDUM FOR CONVERSION OWNERS

STEAMATIC, LLC

ADDENDUM TO FRANCHISE AGREEMENT

This Addendum to the Franchise Agreement ("Addendum") is made and entered into this _____ day of _____, 20__ by and between STEAMATIC, LLC, a Florida limited liability company ("Franchisor," "we," or "us") and [FRANCHISEE OR FRANCHISEE ENTITY], [a(n)] [State of Formation/Incorporation] [entity type or individual] ("Franchisee," "you," or "your").

BACKGROUND

A. Franchisor and Franchisee have entered into that certain franchise agreement of even date herewith ("Franchise Agreement") pursuant to which Franchisee will operate a Steamatic franchised business ("Franchised Business").

B. Franchisee is currently operating an existing business at the franchised location. Franchisee will close this existing business on or before [Closing Date of Existing Business] and convert the existing business to the Franchised Business.

C. Franchisor and Franchisee desire to amend the terms of the Franchise Agreement for Franchisee's conversion of an existing business into the Franchised Business on the following terms. Capitalized terms not defined in this Addendum shall have the meanings set forth in the Franchise Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and promises of the parties and subject to the following terms and conditions, it is agreed as follows:

1. **CURRENT BUSINESS**. Franchisor and Franchisee agree that because Franchisee is converting an existing business that is already open and operating, Franchisee and Franchisor shall be relieved of performing their preopening and development obligations set forth in the Franchise Agreement, except as otherwise provided herein. The Franchise Agreement is hereby amended accordingly.

2. **COMMENCEMENT OF OPERATIONS**. The last paragraph of Section 3.E of the Franchise Agreement shall be amended as follows:

> "Subject to your compliance with these conditions, unless we and you otherwise agree in writing, you agree to open the Steamatic Business to the public no more than [amended opening timeframe deadline] after the Effective Date within which to: (1) secure all necessary financing for the Business; (2) complete the initial training programs described in Section 5.A of this Agreement; (3) purchase an opening inventory of equipment and supplies; (4) obtain and provide evidence of insurance as described in Section 9.G; and (5) commence operation of the Steamatic Business."

3. **CONVERSION**. Franchisee shall, at Franchisee's sole expense and not later than 30 days prior to commencement of operations, convert, refresh and update the appearance, products and services of the current business as required by Franchisor in Franchisor's reasonable discretion. At a minimum, Franchisee shall: (i) repair and/or replace all furniture, fixtures, equipment, signs, supplies, products and materials required for the operation of the Franchised Business ("FF&E") and as Franchisor may otherwise designate; (ii) obtain any new or additional FF&E required to operate the Franchised Business; and (iii) modernize the Franchised Business premises, all as required by Franchisor in order to reflect Franchisor's current standards and images of the Franchised Business system.

4. **TIME IS OF THE ESSENCE**. Franchisor and Franchisee agree that time is of the essence in connection with the construction of leasehold modifications. You will complete such modifications no later than 30 days prior to the date of commencement of the Franchised Business. In the event that you fail to complete modifications by such date, we will have the right to terminate the Franchise Agreement in accordance with Section 15.B of the Franchise Agreement.

5. **INSPECTION**. Upon completion of the modifications of the premises prior to the commencement of operation of the Franchised Business, you will submit a written request to us to conduct a final inspection of the Franchised Business premises and, upon our receipt of such request, we will promptly conduct a final inspection. You will not open the Franchised Business without our written authorization.

6. **CONTINUING BUSINESS**. You may, at your discretion, continue to operate the Current Business during construction of leasehold modifications up to and through [Closing Date of Existing Business], but will not identify yourself as a Steamatic Franchise until receipt of our written authorization to conduct business, as set forth in Section 6 of this Addendum.

7. **LEASE**. You will provide us with a copy of your existing lease for your Current Business premises and make reasonable efforts to negotiate with your lessor within 30 days following the effective date of the Franchise Agreement to amend the lease to include the provisions we require.

8. **TRAINING**. Sections 5.A and 5.B of the Franchise Agreement are hereby amended to state that Franchisee, or if Franchisee is not an individual, Franchisee's operating principal may, but is not required to, attend and complete training. All persons employed by Franchisee that are not operating principals of the Franchised Business shall attend and complete training pursuant to Section 5.B of the Franchise Agreement.

9. **ROYALTY**. Section 4.D of the Franchise Agreement is hereby amended to state that, if you are a Conversion Owner whose business being converted had annual Gross Revenue of at least $200,000 for the most recently completed calendar year (prior to becoming a franchisee), you will receive a reduced Royalty rate for the first two years of operation as follows:

Months of Operation	Rate applicable to Adjusted Gross Revenue	Rate Applicable to the Subcontract Portion of Gross Revenue	Rate Applicable to the Construction Portion of Gross Revenue
1 - 12	4%	2%	No reduction
13 - 24	6%	3%	No reduction

Beginning 24 months after the Opening Date, the Royalty will no longer be subject to a reduced rate and shall be calculated according to the standard rates set forth in the Franchise Agreement.

10. **CONFIDENTIALITY**. Franchisee agrees to keep the terms of this Addendum confidential and not disclose the contents of this Addendum to any third party, excluding Franchisee's representatives, without the prior written consent of Franchisor.

11. **FURTHER ASSURANCE**. Each of the parties will, upon reasonable request of the other, sign any additional documents necessary or advisable to fully implement the terms and conditions of this Addendum.

12. **NO FURTHER CHANGES**. Except as specifically provided in this Addendum, all of the terms, conditions and provisions of the Franchise Agreement will remain in full force and effect as originally written and signed. In the event of any inconsistency between the provisions of the Franchise Agreement and this Addendum, the terms of this Addendum shall control.

IN WITNESS WHEREOF, the parties duly executed this Addendum as of the date first above written.

FRANCHISOR:	**FRANCHISEE:**
STEAMATIC, LLC, a Florida limited liability company	[FRANCHISEE ENTITY], [a(n)] [State of Formation/Incorporation] [entity type or individual]
By: _____	By: _____
Printed Name: _____	Printed Name: [Franchisee or Franchisee Entity Signatory]
Title: _____	Title: [Franchisee Entity Signatory Title]

EXHIBIT H-8

ADDENDUM TO FRANCHISE AGREEMENT FOR

NATIONAL CUSTOMER ACCOUNT PARTICIPATION

This Addendum to Franchise Agreement ("Addendum") is made and entered into as of _____, 20___, by and between Steamatic, LLC, ("Franchisor" or "Steamatic") and _____ ("Franchisee").

WHEREAS, Franchisor and Franchisee have entered into a franchise agreement ("Franchise Agreement") pursuant to which Franchisee was granted a license to use the Marks and Systems in the operation of a Franchise in a specific area ("Territory").

WHEREAS, Steamatic, LLC (hereinafter referred to as "Administrator") has entered into a contract ("Contract") for a National Customer Accounts Program ("NCAP") to provide restoration services ("Services") in various locations to various NCAP Customers ("NCAP Customer").

WHEREAS, Administrator will utilize Steamatic's franchisees ("Steamatic Franchisees") to provide the Services and Administrator desires to provide project management services related to the Contract for the Services.

NOW, for and in consideration of the mutual covenants, terms, and conditions herein and other good and valuable consideration, the receipt of which are hereby acknowledged, the parties hereto agree as follows:

1. Administrator represents that it is pursuing and attempting to negotiate national account contracts for products and services provided by Steamatic Franchisees in the System. Franchisee acknowledges that Administrator is not required to pursue a national account contract with any particular customer or on any particular terms. Administrator, in its sole discretion, shall determine the best method of pursuing, negotiating with, and servicing national account customers, and shall establish the terms of each account, based on the customers' needs.

2. Franchisee is responsible for any and all expenses, including travel and lodging, associated with any NCAP Customer work. Franchisee acknowledges that NCAP Customer work is subject to all Franchisee's requirements under the Franchise Agreement, including, but not limited to, payment of Royalties and Brand Fund contributions, and indemnification, insurance, and warranty.

3. Franchisee understands and agrees that Franchisee has no right to any NCAP Customer or jobs except as assigned by Franchisor to Franchisee in Franchisor's sole discretion. Franchisee shall automatically be disqualified from any NCAP Customer work if any of the following occur:

a. If a NCAP Customer has notified administrator in writing that the customer does not want to deal with Franchisee for any reason.

b. If Franchisee is not qualified or certified by Franchisor to perform a particular type of work;

c. If Franchisor has notified Administrator that Franchisee is in default or otherwise not in good standing under the Franchise Agreement;

d. If Franchisee does not meet minimum insurance requirements for a NCAP contract;

e. If Administrator is unable to timely communicate with Franchisee about a customer work request despite making reasonable efforts to do so;

f. If Franchisee does not deliver or complete the work to the satisfaction of NCAP Customer.

In any of the above instances, Franchisee will automatically be disqualified and Administrator may contract the work to another Franchisee.

4. Franchisee agrees to accept the NCAP prices ("NCAP Prices") as set by the Administrator. Franchisee understands and agrees that all income received by Franchisee under the NCAP is considered "Gross Revenue" within the definition of Section 4.E of the Franchise Agreement and is subject to all reporting, audit and fee requirements under the Franchise Agreement including but not limited to Referral Fees. Franchisee is responsible for complying with all insurance and tax requirements, even if jobs are located outside Franchisee's Territory or state.

5. Franchisee's participation in the NCAP is voluntary. Franchisee may terminate further participation in the NCAP for any reason, by completing any assigned jobs or jobs in-process and giving at least ten business days' written notice to Administrator and Franchisor.

6. Franchisee acknowledges that Section 17.D of the Franchise Agreement is amended to include Administrator as one of the "Indemnified Parties," and Franchisee acknowledges that any NCAP work is subject to Franchisee's indemnification obligations under Section 17.D.

7. Franchisee understands and agrees that Franchisee must be and remain in good standing with Franchisor under the Franchise Agreement in order to participate in the NCAP. Franchisee agrees to service national account customers when requested to do so in accordance with NCAP standards and procedures, and any terms in the contract with the NCAP Customer. Franchisee understands that at no time does the Franchisee have the ability to choose which NCAP jobs they would like to participate in if they are part of the NCAP. Franchisee specifically acknowledges that Administrator may represent to a NCAP Customer that Franchisee will comply with terms and conditions negotiated between Administrator and the national account customer.

8. Franchisee acknowledges that NCAP Customers may require the execution of additional documents or fulfillment of additional conditions prior to providing any Services. Franchisee acknowledges and agrees it is solely responsible for review and execution of any additional contracts, review and execution of any documents, and/or fulfillment of additional conditions required by NCAP Customers for the Services.

9. Franchisee acknowledges that jobs with NCAP Customers may not be assigned or subcontracted without written permission from Administrator, and that Franchisee's participation in the NCAP is not assignable without the express written consent of Franchisor.

10. Administrator will pay Franchisee only upon receipt of funds from the NCAP Customer and upon the receipt of all paperwork requested by Administrator. Such payment(s) will be provided to Franchisee promptly after receipt of funds by Administrator from NCAP Customer. Typically, such payment should occur within 45-60 days after the invoice for the NCAP Customer work invoice has been properly submitted and approved.

11. Franchisee agrees that it shall pay Administrator's then-current administrative fee for participation in the NCAP. Franchisee acknowledges that Administrator may deduct this fee from any payments for work performed in Section 10 above.

12. This Addendum will terminate:

a. Automatically if the Franchise Agreement terminates, expires, or is not renewed;

b. On written notice to Administrator and Franchisee if Franchisor decided for any reason to terminate its participation in the NCAP;

c. On written notice to Franchisor and Franchisee if Administrator decides for any reason that it will no longer pursue or service NCAP Customers needing products and services provided by Steamatic Franchisees;

d. On written notice to Franchisee if Administrator terminates Franchisee's participation in the NCAP for Franchisee's failure to comply with the written standards and procedures of the NCAP.

13. Each party agrees that it shall take any necessary steps, sign and execute any and all necessary documents, agreements, or instruments which are required to implement the terms of this Addendum, and each party agrees to refrain from taking any action which would have the effect of prohibiting or hindering the performance of any other party.

14. Franchisee agrees to defend, indemnify, pay, save, and hold harmless Franchisor and Administrator from any liabilities, damages (including, without limitation, direct, special, and consequential damages), costs, expenses, suits, losses, claims, actions, fines, and penalties (including, without limitation, court costs, reasonable legal fees, and any other reasonable costs of litigation) (hereinafter, collectively, the "Claims") that Franchisor or administrator may suffer, sustain, or incur arising out of or in connection with:

a. Franchisee's work, advice, or presence that gives rise to actual negligent acts, errors, or omissions; intentional misconduct or fraud of Franchisee, its employees, subcontractors, or agents, whether active or passive, whether in the provision of the services; failure to provide any or all of the Services or otherwise;

b. A material breach by Franchisee of this Addendum;

c. Proven assertions under workers' compensation or similar employee benefit acts by Franchisee or its employees or agents, and/or any failure by Franchisee to pay any employment benefits and any taxes required of it of any nature whatsoever;

d. Franchisee's failure to comply with any applicable Law.

The foregoing indemnification shall apply irrespective of whether Claims are asserted by a party, by its employees, agents, or subcontractors, or by unrelated third parties. Nothing contained herein shall relieve Franchisee of any responsibility for Claims regardless of whether Franchisee is required to provide insurance covering such Claims or whether the matter giving rise to the Claims is the responsibility of Franchisee's agents, employees, or subcontractors. The provisions of this section shall survive the termination of this Addendum.

15. Franchisee agrees that all insurance required by the Franchise Agreement will cover Franchisee's activities under the NCAP, and will name Administrator as an additional insured.

16. Franchisee agrees to notify Administrator of any change in Franchisee's ownership or management, business address, fax number, telephone number, email address, or any change in the Territory in which Franchisee is authorized to provide services, not less than seven business days before such change is effective.

17. Except as specifically provided in this Addendum, all of the terms, conditions, and provisions of the Franchise Agreement will remain in full force and effect as originally written and signed. In the event of any inconsistency between the provisions of the Franchise Agreement and this Addendum, the terms of this Addendum shall control.

FRANCHISOR/ADMINISTRATOR:	**FRANCHISEE:**
STEAMATIC, LLC, a Florida limited liability company	_____
By: _____	By: _____
Printed Name: _____	Printed Name: _____
Title: _____	Title: _____

EXHIBIT I

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
California	September 17, 2024
Illinois	July 2, 2024
Indiana	June 14, 2024
Maryland	July 3, 2024
Michigan	August 7, 2024
Minnesota	August 27, 2024
New York	Pending
Rhode Island	June 18, 2024
Virginia	July 8, 2024
Washington	Pending
Wisconsin	June 14, 2024

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 J

RECEIPT

RECEIPT
(Retain This Copy)

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

If Steamatic, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Under Iowa law, if applicable, Steamatic, LLC must provide this disclosure document to you at your first personal meeting to discuss the franchise. Michigan requires Steamatic, LLC to give you this disclosure document at least ten business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. New York requires you to receive this disclosure document at the earlier of the first personal meeting or ten business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. If Steamatic, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency identified on Exhibit A.

The name, principal business address, and telephone number of each franchise seller offering the franchise is:
Brent Adamczyk, 4320 Marsh Ridge Rd, Suite 190, Carrollton, TX 75010; 817-332-1575
Al Giebler, 1685 S. Colorado Blvd., Unit S #163, Denver, CO 80222; 732-539-9921
Brian Garoutte, 1685 S. Colorado Blvd., Unit S #163, Denver, CO 80222; 919-896-7285

Issuance Date: June 13, 2024

I received a disclosure document issued June 13, 2024 which included the following exhibits:

Exhibit A	State Administrators/Agents for Service of Process
Exhibit B	Financial Statements
Exhibit C	Franchise Agreement
Exhibit D	List of Current and Former Franchisees
Exhibit E	State Addenda and Agreement Riders
Exhibit F	Online Support Manual Table of Contents
Exhibit G	Franchise Disclosure Questionnaire
Exhibit H	Contracts for use with the Steamatic Franchise
Exhibit I	State Effective Dates
Exhibit J	Receipt

Date	Signature	Printed Name
Date	Signature	Printed Name Rev. 012417

PLEASE RETAIN THIS COPY FOR YOUR RECORDS.

RECEIPT
(Our Copy)

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

If Steamatic, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Under Iowa law, if applicable, Steamatic, LLC must provide this disclosure document to you at your first personal meeting to discuss the franchise. Michigan requires Steamatic, LLC to give you this disclosure document at least ten business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. New York requires you to receive this disclosure document at the earlier of the first personal meeting or ten business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. If Steamatic, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency identified on Exhibit A.

The name, principal business address, and telephone number of each franchise seller offering the franchise is:
Brent Adamczyk, 4320 Marsh Ridge Rd, Suite 190, Carrollton, TX 75010; 817-332-1575
Al Giebler, 1685 S. Colorado Blvd., Unit S #163, Denver, CO 80222; 732-539-9921
Brian Garoutte, 1685 S. Colorado Blvd., Unit S #163, Denver, CO 80222; 919-896-7285

Issuance Date: June 13, 2024

I received a disclosure document issued June 13, 2024 which included the following exhibits:

Exhibit A	State Administrators/Agents for Service of Process
Exhibit B	Financial Statements
Exhibit C	Franchise Agreement
Exhibit D	List of Current and Former Franchisees
Exhibit E	State Addenda and Agreement Riders
Exhibit F	Online Support Manual Table of Contents
Exhibit G	Franchise Disclosure Questionnaire
Exhibit H	Contracts for use with the Steamatic Franchise
Exhibit I	State Effective Dates
Exhibit J	Receipt

Date	Signature	Printed Name
Date	Signature	Printed Name

Rev. 012417

Please sign this copy of the receipt, date your signature, and return it to Steamatic, LLC, 4320 Marsh Ridge Rd, Suite 190, Carrollton, TX 75010.