FRANCHISE DISCLOSURE DOCUMENT

We Clean Heat Pumps Franchising CO, LLC
A Wyoming Limited Liability Company
139 Main St Box 31, Brattleboro, VT 05301
866-349-2147
office@wecleanheatpumps.com
https://wecleanheatpumps.com/

As a We Clean Heat Pumps franchisee, you will operate a service business providing HVAC cleaning and maintenance. The franchised business will be operated in a defined Territory, typically with an office in your home or a small professional office location. You will be mobile, providing services to customers onsite at their home or place of business under the brand "We Clean Heat Pumps."

The total investment necessary to begin operation of a We Clean Heat Pumps franchise is $84,750 to $267,500. This includes $32,000 to $97,000 which must be paid to the franchisor or affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, please contact Marion Bolognesi, Tracy Dowd and Gabriel Matthew Erde-Cohen at 139 Main St Box 31, Brattleboro, VT 05301 and 866-349-2147.

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, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance date: April 21, 2025

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 H.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit F includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only We Clean Heat Pumps 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 an We Clean Heat Pumps franchisee?	Item 20 or Exhibit H 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. **<u>Out-of-State Dispute Resolution</u>.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Vermont. 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 Vermont than in your own state.

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

3. **<u>Financial Condition</u>**. 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.

(THE FOLLOWING APPLIES TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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

Any questions regarding this notice should be directed to:

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

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Item 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

In this disclosure document, "we", "us," or "our" refers to We Clean Heat Pumps Franchising CO, LLC. "You" means the person to whom we grant a franchise. If you are a corporation, limited liability company, or other entity, each owner of the franchise entity must sign our Guaranty and Non-Compete Agreement, which means that all of the franchise agreement's provisions also will apply to your owners.

Us, Any Parents, and Certain Affiliates

Our name is We Clean Heat Pumps Franchising CO, LLC. Our principal business address is 139 Main St Box 31, Brattleboro, VT 05301.

We do not have any parent entities.

We do not have any affiliates that offer franchises in any line of business.

We do have an Affiliate, BODOERCO, LLC that provides products to our franchisees.

Our Predecessors

We do not have any predecessors.

Our Business Name

We use the names "We Clean Heat Pumps Franchising CO, LLC" and "We Clean Heat Pumps."

Agent for Service of Process

Exhibit A contains our agents for service of process.

Business Organization

We are a Wyoming Limited Liability Company. We were formed on 6/02/2023.

Information About Our Business and the Franchises Offered

We do not operate businesses of the type being franchised, but our Affiliate companies do.

We do not have any other business activities. We have not offered franchises in other lines of business.

If you sign a franchise agreement with us, you will develop and operate a service business providing HVAC cleaning and maintenance, under the trade name We Clean Heat Pumps.

We operate in the HVAC Service market that is well developed. Our products *or* services are offered year-round. You will compete for customers with independent owners, national chains, regional chains, and franchised businesses, offering HVAC and heat pump cleaning and maintenance services.

Laws and Regulations

Your business may be subject to various federal, state, and local laws and regulations. Some states and municipalities have contractor laws, which may require you to obtain a state or local contractor's or other license. You should investigate the application of these laws further.

Prior Business Experience

None of our affiliates has offered franchises in other lines of business.

Our affiliate, BODOERCO LLC, DBA We Clean Heat Pumps has operated We Clean Heat Pumps in Boston, MA since 2021. This entity was filed in Vermont on 1/24/2021. This affiliate has the business address 253 Rd, Gill, Massachusetts 01354.

Our affiliate, We Clean Heat Pumps, LLC has operated We Clean Heat Pumps in Putney, Vermont since 4/2018. This entity was formed in Vermont on 12/16/2018. This affiliate has the business address 139 Main St Box 31, Westminster, VT 05346.

Our affiliate, Viking Draft Co, Inc. has operated We Clean Heat Pumps in Canaan, New York since 2021. This affiliate has the business address of 1493 Country Rte 5, Canaan, NY 12029. This entity was incorporated on 12/28/2020.

Item 2
BUSINESS EXPERIENCE

Marion Bolognesi - Managing Member. Marion has been our Managing Member in Canaan, New York, since 6/2023. Marion has also had the following employment in the last five years:

Employer	Title	Start Date (month/year)	End Date (month/year)	City, State
BODOERCO LLC	Owner	1/2021	Present	Canaan, NY
Viking Draft Co, LLC	Owner	12/2020	Present	Canaan, NY

Tracy Dowd - Managing Member. Tracy has been our Managing Member in Massachusetts, since 6/2023. Tracy has also had the following employment in the last five years:

Employer	Title	Start Date (month/year)	End Date (month/year)	City, State
BODOERCO LLC	Owner	1/2021	Present	Gill, MA

Employer	Title	Start Date (month/year)	End Date (month/year)	City, State
We Clean Heat Pumps, LLC	Owner	4/2018	Present	Gill, MA

Gabriel Matthew Erde-Cohen - Managing Member. Gabriel has been our Managing Member in Putney, Vermont, since 6/2023. Gabriel has also had the following employment in the last five years:

Employer	Title	Start Date (month/year)	End Date (month/year)	City, State
BODOERCO LLC	Owner	1/2021	Present	Putney, VT
We Clean Heat Pumps, LLC	Owner	4/2018	Present	Putney, VT

Item 3
LITIGATION

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

Franchise Fee

When you sign your franchise agreement, you must pay us $30,000 as the initial franchise fee.

The $30,000 franchise fee covers a territory up to 100,000 population. If you want a larger territory, you would pay an additional $.16 per person.

We would typically cap the territory size at a population of 500,000 people. So for a territory containing 500,000 people, the total initial franchise fee would be $94,000.

The initial franchise fee is fully earned when paid and is not refundable.

Inventory

When you purchase the franchised business, you will be required to purchase Filter stocks, coil cleaner, coil jets and bib kits, towels/rags and branded clothing you will use to operate the franchised business and provide the heat pump services from our Affiliate, BODOERCO, LLC. The total investment for these items when you start the business will be $2,000 to $3,000. These costs are non-refundable.

Installment Payments

In some cases, we may allow you to pay your initial franchise fee, or a portion of it, to us over time by paying an additional 7% Royalty ("Additional Royalty") which we credit against the franchise fee owed. Once the franchise fee is fully paid, the Additional Royalty ceases.

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Item 6
OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty	6% of your gross sales	Monthly, on the 2nd day of the following month	See Note 1 and Note 2.
Additional Royalty	7% of your gross sales	Monthly, on the 2nd day of the following month	Additional Royalty applies only if we allow you to pay your franchise fee, or a portion of it, over time. The Additional Royalty applies only until the amounts paid equal the franchise fee owed.
Marketing Fund Contribution	2% of your gross sales	Monthly, on the 2nd day of the following month	
Mandatory Marketing Budget	$2,000 per month	Monthly	We require you to spend these sums each month per our guidelines on local marketing campaigns and you would normally pay the vendors directly.
Replacement / Additional Training fee	Currently, $1,000 per day	Prior to attending training	If you send a manager or other employee to our training program after you open, we will charge our then-current training fee.
Third party vendors	Pass-through of costs, plus reasonable administrative charge. Currently, none.	Varies	We have the right to require franchisees to use third-party vendors and suppliers that we designate. Examples can include computer support vendors, mystery shopping, and customer feedback systems. The vendors and suppliers may bill franchisees directly, or we have the right to collect payment for these vendors together with a reasonable markup or charge for administering the payment program.
Software subscription	Currently, $300 - $400 per month plus transaction costs	Monthly	We require you to use certain software as described in Item 11. You pay subscription fees directly to the software supplier, and not to us.

Type of Fee	Amount	Due Date	Remarks
Non-compliance fee	$500	On demand	We may charge you $500 if your business is not in compliance with our system specifications or the franchise agreement and you fail to correct the non-compliance after 30 days' notice. Thereafter, we may charge you $250 per week until you correct such non-compliance.
Reimbursement	Amount that we spend on your behalf, plus 10%	Within 15 days of invoice	If we pay any amount that you owe or are required to pay to a third party, you must reimburse us.
Late fee	$100 plus interest on the unpaid amount at a rate equal to 18% per year (or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law)	On demand	We may charge a late fee if you fail to make a required payment when due.
Insufficient funds fee	$30 (or, if such amount exceeds the maximum allowed by law, then the maximum allowed by law)	On demand	We may charge an insufficient funds fee if a payment made by you is returned because of insufficient funds in your account.
Costs of collection	Our actual costs	As incurred	Payable if we incur costs (including reasonable attorney fees) in attempting to collect amounts you owe to us.
Breach of territory fee	The greater of (i) $500 or (ii) 75% of the amount paid by the customer outside of your territory.	On demand	If you serve a customer outside of your territory without our prior written permission, we may impose this fee.
Special support fee	Our then-current fee, plus our expenses. Currently, $600 per day.	On demand	If we provide in-person support to you in response to your request, we may charge this fee plus any out-of-pocket expenses (such as travel, lodging, and meals for employees providing onsite support).

Type of Fee	Amount	Due Date	Remarks
Customer complaint resolution	Our expenses		We may take any action we deem appropriate to resolve a customer complaint about your business. If we respond to a customer complaint, we may require you to reimburse us for our expenses.
Records audit	Our actual cost	On demand	Payable only if (1) we audit you because you have failed to submit required reports or other non-compliance, or (2) the audit concludes that you under-reported gross sales by more than 3% for any month.
Special evaluation fee	Currently $600, plus our out-of-pocket costs	On demand	Payable only if we conduct an in-person evaluation of your business because of a governmental report, customer complaint or other customer feedback, or your default or non-compliance with any system specification.
Non-compliance cure costs and fee	Our out-of-pocket costs and internal cost allocation, plus 10%	When billed	We may cure your non-compliance on your behalf (for example, if you do not have required insurance, we may purchase insurance for you), and you will owe our costs plus a 10% administrative fee.
Transfer fee	$10,000 plus any broker fees and other out-of-pocket costs we incur	When transfer occurs	Payable if you sell your business.
Liquidated damages	An amount equal to royalty fees and marketing fund contributions for the lesser of (i) 2 years or (ii) the remaining weeks of the franchise term.	On demand	Payable if we terminate your franchise agreement because of your default, or if you terminate the franchise agreement without the right to do so.
Indemnity	Our costs and losses from any legal action related to the operation of your franchise	On demand	You must indemnify and defend (with counsel reasonably acceptable to us) us and our affiliates against all losses in any action by or against us related to, or alleged to arise out of, the operation of your franchise (unless caused by our misconduct or negligence).

Type of Fee	Amount	Due Date	Remarks
Our legal costs	Our attorney fees, court costs, and other expenses of a legal proceeding	On demand	Payable if we are the prevailing party

All fees are payable only to us (other than software subscription charges). All fees are imposed by us and collected by us (other than software subscription charges). All fees are non-refundable. All fees are uniform for all franchisees, although we reserve the right to change, waive, or eliminate fees for any one or more franchisees as we deem appropriate.

<u>Notes</u>

1. “Gross Sales” is defined in our franchise agreement as the total dollar amount of all sales generated through your business for a given period, including, but not limited to, payment for any services or products sold by you, whether for cash or credit. Gross Sales does not include (i) bona fide refunds to customers, (ii) sales taxes collected, (iii) sale of used equipment not in the ordinary course of business, or (iv) sales of prepaid cards or similar products (but the redemption of any such card or product will be included in Gross Sales).

2. We currently receive your Gross Sales revenue then deduct royalties, marketing fund contributions, and any other amounts that you may owe to us, then remit the net amount to you by the 10^{th} of each month as to your Gross Sales the prior month

We may require you to execute a pre-authorized bank draft. However, we can require an alternative payment method.

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Item 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of expenditure	Amount		Method of payment	When due	To whom payment is to be made
	Low	High			
Initial franchise fee (see Note 1)	$30,000	$94,000	Check or wire transfer	Upon signing the franchise agreement	Us
Rent, Utilities, and Leasehold Improvements (see Note 2)	$0	$0	Not applicable	Not applicable	Not applicable
Market Introduction Program	$24,000	$90,000	Check, debit, and/or credit	As incurred or when billed	Vendors and suppliers
Tools and Equipment	$1,500	$3,000	Check, debit, and/or credit	As incurred	Vendors and suppliers
Computer Systems	$1,500	$3,000	Check, debit, and/or credit	As incurred	Vendors and suppliers
Insurance	$2,000	$7,500	Check	Upon ordering	Insurance company
Vehicle (Note 3)	$5,000	$25,000	Check	Upon purchase	Vendor
Signage	$1,000	$4,000	Check, debit, and/or credit	Upon ordering	Vendor
Office Expenses	$2,500	$5,000	Check, debit, and/or credit	As incurred	Vendors

Type of expenditure	Amount		Method of payment	When due	To whom payment is to be made
	Low	High			
Inventory (Note 4)	$2,000	$3,000	Check, debit, and/or credit	Upon ordering	Our Affiliate, BODOERCO, LLC
Licenses and Permits	$500	$3,000	Check	Upon application	Government
Dues and Subscriptions	$250	$1,000	Check, debit, and/or credit	As incurred	Vendors, trade organizations
Professional Fees (lawyer, accountant, etc.)	$1,500	$3,000	Check, debit, and/or credit	As incurred or when billed	Professional service firms
Travel, lodging and meals for initial training	$3,000	$6,000	Cash, debit or credit	As incurred	Airlines, hotels, and restaurants
Additional funds (for first 3 months) (Note 5)	$10,000	$20,000	Varies	Varies	Employees, suppliers
Total	$84,750	$267,500			

<u>Notes</u>

1. When you sign your franchise agreement, you must pay us $30,000 as the initial franchise fee.

The $30,000 franchise fee covers a territory up to 100,000 population. If you want a larger territory, you would pay an additional $.16 per person.

We would typically cap the territory size at a population of 500,000 people. So for a territory containing 500,000 people, the total initial franchise fee would be $94,000.

The initial franchise fee is fully earned when paid and is not refundable.

In some cases, we may allow you to pay your initial franchise fee, or a portion of it, to us over time by paying an additional 7% Royalty ("Additional Royalty") which we credit against the franchise fee owed. Once the franchise fee is fully paid, the Additional Royalty ceases.

None of the expenditures in this table will be refundable.

2. We estimate real property, leasehold improvements, and utilities at zero because we expect you will open as a home-based business.

3. Vehicle. You must use a vehicle appropriate for your business with our branded wrap. It must be in excellent or better condition, clean, dent-free, and otherwise presenting a professional appearance. The low-end estimate assumes you already have a personal vehicle for the business. The high assumes you lease a new vehicle, with certain fees and costs payable upon signing the lease.

4. The operating inventory will primarily be the filters you will use to provide maintenance services for the heat pump devices. You will be required to purchase your opening inventory of these filters, filter stocks, coil cleaner, coil jets and bib kits, towels/rags and branded clothing you will use to operate from our Affiliate, Bodoerco, LLC.

5. This includes any other required expenses you will incur before operations begin and during the initial period of operations, such as payroll, additional inventory, and other operating expenses in excess of income generated by the business. It does not include any salary or compensation for you. In formulating the amount required for additional funds, we relied on the following factors, basis, and experience: the development of a We Clean Heat Pumps business by our affiliate, and our general knowledge of the industry.

Item 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Generally

We have the right to require you to purchase or lease all goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating your business (1) either from us or our designee, or from suppliers approved by us, or (2) according to our specifications.

Specific Obligations

The following are our current specific obligations for purchases and leases:

A. Insurance. You must obtain insurance as described in the Franchise Agreement and in our Manual, which includes (i) Commercial General Liability insurance, including products liability coverage, and broad form commercial liability coverage, written on an "occurrence" policy form in an amount of not less than $1,000,000 single limit per occurrence and $2,000,000 aggregate limit, (ii) Business Automobile Liability insurance including owned, leased, non-owned and hired automobiles coverage in an amount of not less than $1,000,000, and (iii) Workers Compensation coverage as required by state law. Your policies (other than Workers Compensation) must list us and our affiliates as an additional insured, must include a waiver of subrogation in favor of us and our affiliates, must be primary and non-contributing with any insurance carried by us or our affiliates, and must stipulate that we receive 30 days' prior written notice of cancellation.

B. Computer software and hardware. You must purchase and use the computer software and hardware that we specify. See Item 11 for more details.

C. Products, inventory and equipment. You must purchase required items from our affiliate, including but not limited to the following; filter stock, coil cleaner, coil jets and bib kits, towels/rags. You must purchase other required items from our approved vendors. See the Brand Standards/Operations Manual for details.

D. Vehicle. You must use a vehicle appropriate for your business with our branded wrap. It must be in excellent or better condition, clean, dent-free, and otherwise presenting a professional appearance. The low-end estimate assumes you already have a personal vehicle for the business. The high assumes you lease a new vehicle, with certain fees and costs payable upon signing the lease.

Us or our Affiliates as Supplier

Our affiliate, BODOERCO, LLC, is currently a supplier of goods or services that you must purchase, and we reserve the right to be a supplier (or the sole supplier) of a good or service in the future.

Ownership of Suppliers

Our officers, Marion Bolognesi, Tracy Dowd, and Gabriel Matthew Erde-Cohen, own an interest in our affiliate, BODOERCO, LLC.

Alternative Suppliers

If you want to use a supplier that is not on our list of approved suppliers, you must request our approval in writing. We will grant or revoke approvals of suppliers based on criteria appropriate to the situation, which may include evaluations of the supplier's capacity, quality, financial stability, reputation, and reliability; inspections; product testing, and performance reviews. Our criteria for approving suppliers are not available to you. We permit you to contract with alternative suppliers who meet our criteria only if you request our approval in writing, and we grant approval. There is no fee for us to review or approve an alternate supplier. We will provide you with written notification of the approval or disapproval of any supplier you propose within 30 days after receipt of your request. We may grant approvals of new suppliers or revoke past approvals of suppliers on written notice to you, or by updating our Manual.

Issuing Specifications and Standards

We issue specifications and standards to you for applicable aspects of the franchise in our Manual and/or in written directives. We may issue new specifications and standards for any aspect of our brand system, or modify existing specifications and standards, at any time by revising our Manual and/or issuing new written directives (which may be communicated to you by any method we choose). We will generally (but are not obligated to) issue new or revised specifications only after thorough testing in our headquarters, in company-owned outlets, and/or a limited market test in multiple units.

Revenue to Us and Our Affiliates

We may, but do not currently, derive revenue from the required purchases and leases by franchisees.

Our affiliate, BODOERCO, LLC, did not yet earn revenues from required franchisee purchases and leases in our prior fiscal year ending December 31, 2024.

Proportion of Required Purchases and Leases

We estimate that the required purchases and leases to establish your business are 50% to 80% of your total purchases and leases to establish your business.

We estimate that the required purchases and leases of goods and services to operate your business are 50% to 80% of your total purchases and leases of goods and services to operate your business.

Payments by Designated Suppliers to Us

We do not currently receive payments from any designated suppliers based on purchases by you or other franchisees. However, the franchise agreement does not prohibit us from doing so.

Purchasing or Distribution Cooperatives

No purchasing or distribution cooperative currently exists.

Negotiated Arrangements

We do not negotiate purchase arrangements with suppliers, including price terms, for the benefit of franchisees. However, we may do so in the future.

Benefits Provided to You for Purchases

We do not provide material benefits to you based on your use of a particular supplier. However, when your franchise is up for renewal, to continue your franchise rights, we require you to be in compliance with your franchise agreement, which includes compliance with any supplier standards that are contained in our Operations Manual.

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Item 9
FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in agreement	Disclosure document item
a. Site selection and acquisition/lease	§ 6.1	Item 11
b. Pre-opening purchase/leases	§§ 6.2, 6.3	Items 5, 7, 8 and 11
c. Site development and other pre-opening requirements	Article 6	Items 5, 7, 8 and 11
d. Initial and ongoing training	§§ 5.4, 6.4, 7.6	Items 5, 6, 8 and 11
e. Opening	§§ 6.5, 6.6	Items 7, 8 and 11
f. Fees	Article 4, §§ 5.5, 7.8, 8.4, 10.5, 11.2, 11.3, 14.5, 15.2, 16.1, 17.11; Attachment 3	Items 5, 6 and 7
g. Compliance with standards and policies/operating manual	§§ 6.3, 7.1, 7.3, 7.5, 7.7, 7.9 – 7.13, 7.15, 10.1, 10.4, 11.1	Items 8, 11 and 14
h. Trademarks and proprietary information	Article 12, § 13.1	Items 13 and 14
i. Restrictions on products/services offered	§ 7.3	Items 8, 11 and 16
j. Warranty and customer service requirements	§§ 7.3, 7.8, 7.9	Item 8
k. Territorial development and sales quotas	§ 2.2	Item 12
l. Ongoing product/service purchases	Article 8	Items 6 and 8
m. Maintenance, appearance, and remodeling requirements	§§ 7.12, 7.13, 15.2	Items 6, 7 and 8
n. Insurance	§ 7.15	Items 6, 7 and 8
o. Advertising	Article 9	Items 6, 7, 8 and 11
p. Indemnification	Article 16	Items 6 and 8
q. Owner's participation/management/staffing	§ 2.4	Items 15
r. Records and reports	Article 10; Attachment 3	Item 11
s. Inspections and audits	§§ 10.5, 11.2	Items 6 and 11
t. Transfer	Article 15	Items 6 and 17

Obligation	Section in agreement	Disclosure document item
u. Renewal	§ 3.2	Item17
v. Post-termination obligations	Article 13, § 14.3	Item 17
w. Non-competition covenants	§ 13.2	Item 17
x. Dispute resolution	Article 17	Items 6 and 17

Item 10
FINANCING

We may offer financing for all or a portion of your Initial Franchise Fee if you meet our qualifications.

Whether we will extend financing and the amount will vary depending upon the availability of funds and your creditworthiness.

The following table summarizes the financing we may offer you for the Initial Franchise Fee.

Item Financed	Initial Franchise Fee
Source of Financing	Us
Down Payment	0-50%
Amount Financed	50-100%
Interest Rate	0%
Period of Repayment	Varies
Monthly Payment	You will pay Additional Royalty of 7% of Gross Sales until your franchise fee is paid for.
Security Required	Personal Guaranty
Whether a Person Other than the Franchisee Must Personally Guarantee the Debt	If the franchisee is an entity, its owners must personally guarantee the debt
Prepayment Penalty	None
Liability Upon Default	Termination of Franchise Agreement
Waiver of Defenses or Other Legal Right on Default	None

If we offer you the opportunity to make installment payments of your Franchise Fee, or a portion of it, through an Additional Royalty of 7%, you must sign a "Franchise Royalty Repayment Agreement," a sample of which is attached to the Franchise Agreement as Attachment 3.

We do not guarantee your notes, leases, or obligations. We do not have any past or present practice or intention to sell, assign or discount to any third party, any note, contract or other instrument signed by you.

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

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

Our Pre-Opening Obligations

Before you open your business:

A. *Your site.* We do not assist you in (i) locating your site and negotiating the purchase or lease of the site, (ii) conforming the premises to local ordinances and building codes and obtaining any required permits, or (iii) constructing, remodeling, or decorating the premises.

B. *Hiring and training employees*. We will provide you with our suggested staffing levels (Section 5.2), suggested guidelines for hiring employees (Section 5.2), operational instructions in the Manual which you can use as part of training new employees (Section 5.3), and our initial training program described below. All hiring decisions and conditions of employment are your sole responsibility.

C. *Necessary equipment, signs, fixtures, opening inventory, and supplies.* We will provide you a list of our specifications and approved suppliers for equipment, signs, fixtures necessary to open your business. (Section 5.4) We do not provide these items directly; we only provide the names of approved suppliers. We do not deliver or install these items. We do provide the opening inventory and supplies to you through our Affiliate, Bodoerco, LLC. This includes the following items: Filter stocks, coil cleaner, coil jets and bib kits, towels/rags and branded clothing.

D. *Brand Standards*. We will give you access to our Brand Standards. (Section 5.1)

E. *Initial Training Program.* We will conduct our initial training program. (Section 5.4). The current initial training program is described below.

F. *Business plan review*. If you request, we will review your pre-opening business plan and financial projections. (Section 5.4)

G. *Market introduction plan*. We will advise you regarding the planning and execution of your market introduction plan. (Section 5.4)

H. *On-site opening support.* We will have a representative provide on-site and/or virtual support for 2 days onsite and 3 days virtual training in connection with your business opening. (Section 5.4)

Length of Time to Open

The typical length of time between signing the franchise agreement and the opening of your business is 1-3 months. Factors that may affect the time period include your ability to obtain financing, obtain business permits and licenses, schedule initial training, and hire employees.

Our Post-Opening Obligations

After you open your business:

A. *Developing products or services you will offer to your customers*. Although it is our intent and practice to refine and develop products or services that you will offer to your customers, the franchise agreement does not obligate us to do so.

B. *Hiring and training employees*. We will provide you with our suggested staffing levels (Section 5.2), suggested guidelines for hiring employees (Section 5.2), and operational instructions in the Manual which you can use as part of training new employees (Section 5.3). All hiring decisions and conditions of employment are your sole responsibility.

C. *Improving and developing your business; resolving operating problems you encounter.* If you request, we will provide advice to you (by telephone or electronic communication) regarding improving and developing your business, and resolving operating problems you encounter, to the extent we deem reasonable. If we provide in-person support in response to your request, we may charge a fee (currently $600 per day) plus any out-of-pocket expenses (such as travel, lodging, and meals for our employees providing onsite support). (Section 5.5)

D. *Establishing prices*. Upon your request, we will provide recommended prices for products and services. (Section 5.5). We have the right to determine prices charged by our franchisees for goods and services (but only to the extent permitted by applicable law).

E. *Establishing and using administrative, bookkeeping, accounting, and inventory control procedures.* We will provide you our recommended procedures for administration, bookkeeping, accounting, and inventory control. (Section 5.5). We may make any such procedures part of required (and not merely recommended) procedures for our system.

F. *Marketing Fund*. We will administer the Marketing Fund (Section 5.5). We will prepare an unaudited annual financial statement of the Marketing Fund within 120 days of the close of our fiscal year and will provide the financial statement to you upon request. (Section 9.3)

G. *Website*. We will maintain a website for the We Clean Heat Pumps brand, which will include your business information and telephone number. (Section 5.5)

Advertising

Our obligation. We will use the Marketing Fund only for marketing and related purposes and costs. Media coverage is primarily local. We use outside vendors and consultants to produce advertising. We are not required to spend any amount of advertising in the area or territory where any particular franchisee is located. We will maintain the brand website (which may be paid for by the Marketing Fund). We have no other obligation to conduct advertising.

Your own advertising material. You may use your own advertising or marketing material only with our approval. To obtain our approval, you must submit any proposed advertising or marketing material at least 14 days prior to use. If we do not respond, the material is deemed rejected. If you develop any advertising or marketing materials, we may use those materials for any purpose, without any payment to you.

Advertising council. We do not have an advertising council composed of franchisees. The franchise agreement does not give us the power to form an advertising council.

Local or Regional Advertising Cooperatives. We do not have any local or regional advertising cooperatives.

Mandatory Marketing Budget. We require you to spend $2,000 each month per our guidelines on local marketing campaigns and you would normally pay the vendors directly.

Market introduction plan. You must develop a market introduction plan and obtain our approval of the plan at least 30 days before the projected opening date of your business.

Advertising Fund. You must contribute 2% of Gross Sales each month to our Marketing Fund. We may use these fees to conduct advertising using online, radio, television, direct mail, billboards, print or other advertising. We may use local, regional, or national advertising. We may produce advertising material in-house or through outside agencies. We are not required to spend any amount on advertising in the area or territory where you will be located.

Franchisor-owned outlets are not required to contribute to the Advertising Fund. We administer the Fund. The fund is not audited. But you may request in writing an unaudited financial statement of how the fund was used in the prior fiscal year.

If not all advertising funds are spent in the fiscal year in which they accrue, we will carry them over to apply in future years.

No advertising fund fees may be principally used to solicit new franchise sales.

In our last fiscal year ending December 31, 2024, we raise $292.50 in advertising fund fees and spend $337.56 on direct marketing, contributing the additional monies spent from our working capital.

Computer Systems

We require you to purchase computer systems and software as follows:

Housecall Pro Software

Laptop Computer

Smart Phone

The system will include our currently required POS/CRM system, credit card processing system, and the integrated accounting platform, QuickBooks. These systems will generate or store data such as inventory/product details, sales transactions, client, employee, scheduling, dispatching, estimates, reporting, and accounting information.

We estimate that these systems will cost between $1,500 and $3,000 to purchase.

We are not obligated to provide any ongoing maintenance, repairs, upgrades, or updates. We do require you enter into such contract with a third party for the POS/CRM as applicable.

You must upgrade or update any system when we determine. There is no contractual limit on the frequency or cost of this obligation.

We estimate that the annual cost of any optional or required maintenance, updating, upgrading, or support contracts will be $1,500 to $2,500.

You must give us independent access to the information that will be generated or stored in these systems. The information that we may access will include sales, customer data, and reports. There is no contractual limitation on our right to access the information.

Brand Standards Manual

See Exhibit E for the table of contents of our Brand Standards Manual as of the date of this disclosure document, with the number of pages devoted to each subject. The Manual has 207 pages.

Training Program

Our training program consists of the following:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Introduction to Business Model, Franchise and Our Relationship	2	-	Our Locations in Massachusetts or Vermont or Your Location
FIELD TECH TRAINING	-	30	Our Locations in Massachusetts or Vermont or Your Location
OFFICE STAFF TRAINING	-	30	Remote
Execution and Launch	-	4	Your Location
TOTALS:	2	64	

Training classes will be scheduled in accordance with the needs of new franchisees. We anticipate holding training classes three to six times per year. Training will be held at our offices and business location in Putney, Vermont. We reserve the right to vary the length and content of the initial training program based on the experience and skill level of any individual attending the initial training program.

The instructional materials consist of the Brand Standards Manual and other materials, lectures, discussions, and on-the-job demonstration and practice.

Training classes will be led by Marion Bolognesi, Tracy Dowd, and Gabriel Matthew Erde-Cohen. We describe the nature and length of their experience in Item 2.

There is no fee for up to 2 people to attend training. You must pay the travel and living expenses of people attending training.

You must attend training. You may send any additional people to training that you want (up to the maximum described above). You must complete training to our satisfaction at least four weeks before opening your business.

We do not currently require additional training programs or refresher courses, but we have the right to do so.

Item 12
TERRITORY

Your Location

We anticipate that you will manage from your home or from a small office setting. Your primary office must be located in your territory.

Grant of Territory

Your franchise agreement will specify a territory, which will have a population of approximately 100,000-500,000 people. The boundaries of your territory will be specified by zip codes, county or city lines, or some other limit.

Relocation; Establishment of Additional Outlets

You may relocate your business headquarters anywhere in your territory.

You do not have the right to establish additional franchised outlets or expand into additional territory. If you desire to do so, you must (1) meet our then-current criteria for new franchisees, (2) be in compliance with your franchise agreement at all times since opening your business, (3) have demonstrated your capability to operate a multi-territory franchise successfully, and (4) obtain our agreement.

Options to Acquire Additional Franchises

You do not receive any options, rights of first refusal, or similar rights to acquire additional franchises.

Exclusivity

We grant you an exclusive territory. In your territory, we will not establish either a company-owned or franchised outlet selling the same or similar goods or services under the same or similar trademarks or service marks as a We Clean Heat Pumps outlet. Continuation of your territorial exclusivity does not depend on any contingency. There are no circumstances that permit us to modify your territorial rights.

Restrictions on Us from Soliciting or Accepting Orders in Your Territory

Except as described in this paragraph, we will not serve customers in your territory, nor authorize another party to serve customers in your territory, under our We Clean Heat Pumps brand. However, we may serve (or authorize other franchisees to serve) customers in your territory if you are in default, or if you are incapable of meeting customer demand in your territory. We may also serve (or authorize another franchisee to serve) a particular customer in your territory if you fail to properly serve such customer, or if we reasonably believe that you will not properly serve such customer. We reserve the right to use other channels of distribution, such as the internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within your territory (i) using our principal trademarks, but only for sales of products or services different from the ones you will offer, and (ii) using trademarks different from the ones you will use. In the circumstances where the franchise agreement does not prohibit us from soliciting or accepting orders from inside your territory, we do not pay any compensation to you.

Soliciting by You Outside Your Territory

You cannot solicit or market to potential customers outside of your territory, except for solicitations or marketing which are primarily targeted inside the territory and which incidentally reach potential customers outside of the territory. You cannot serve customers outside of your territory without our prior written permission. We may withdraw permission at any time.

Competition by Us Under Different Trademarks

Neither we nor any of our affiliates operates, franchises, or has plans to operate or franchise a business under a different trademark selling goods or services similar to those you will offer. However, the franchise agreement does not prohibit us from doing so.

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Item 13
TRADEMARKS

Principal Trademark

The franchise agreement licenses to you the right to use the following principal trademarks ("Marks") registered or applied for with the U.S. Patent and Trademark Office ("USPTO"):

Description of Mark	Serial or Registration Number	Principal or Supplemental Register of the USPTO	Registration Date
	98084936	Principal	July 23, 2024
	98084940	Principal	July 23, 2024

Determinations

There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, or any state trademark administrator or court. There are no pending infringement, opposition, or cancellation proceedings.

Litigation

There is no pending material federal or state court litigation regarding our use or ownership rights in a trademark.

Agreements

Bodoerco, LLC, our affiliate, owns the trademarks described in this Item. Under an Intercompany License Agreement between us and Bodoerco, LLC, we have been granted the exclusive right to sublicense the trademarks to franchisees throughout the United States. The agreement is of perpetual duration. It may be modified only by mutual consent of the parties. It may be canceled by our affiliate only if (1) we materially misuse the trademarks and fail to correct the misuse, or (2) we discontinue commercial use of the trademarks for a continuous period of more than one year. The Intercompany License Agreement specifies that if it is ever terminated, your franchise rights will remain unaffected.

Protection of Rights

We protect your right to use the principal trademarks listed in this Item, and we protect you against claims of infringement or unfair competition arising out of your use of the trademarks, to the extent described in this section.

The franchise agreement obligates you to notify us of the use of, or claims of rights to, a trademark identical to or confusingly similar to a trademark licensed to you. The franchise agreement does not require us to take affirmative action when notified of these uses or claims. We have the right to control any administrative proceedings or litigation involving a trademark licensed by us to you.

If you use our trademarks in accordance with the franchise agreement, then (i) we will defend you (at our expense) against any legal action by a third party alleging infringement by your use of the trademark, and (ii) we will indemnify you for expenses and damages if the legal action is resolved unfavorably to you.

Under the franchise agreement, we may require you to modify or discontinue using a trademark, at your expense.

Superior Prior Rights and Infringing Uses

We do not know of either superior prior rights or infringing uses that could materially affect your use of the principal trademarks.

Item 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents

We do not own rights in, or licenses to, patents that are material to the franchise. We do not have any pending patent applications.

Copyrights

All of our original works of authorship fixed in a tangible medium of expression are automatically protected under the U.S. Copyright Act, whether or not we have obtained registrations. This includes our Brand Standards Manual as well as all other sales, training, management and other materials that we have created or will create. You may use these copyrighted materials during the term of the franchise, in a manner consistent with our ownership rights, solely for your franchised business.

We do not have any registered copyrights. There are no pending copyright applications for our copyrighted materials. There are no currently effective determinations of the U.S. Copyright Office (Library of Congress) or any court regarding any copyright.

There are no agreements currently in effect that limit our right to use or license the use of our copyrighted materials.

We have no obligation to protect any of our copyrights or to defend you against claims arising from your use of copyrighted items. The franchise agreement does not require us to take affirmative action when notified of copyright infringement. We control any copyright litigation. We are not required to participate in the defense of a franchisee or indemnify a franchisee for expenses or damages in a proceeding involving a copyright licensed to the franchisee. We may require you to modify or discontinue using the subject matter covered by any of our copyrights, at your expense.

We do not know of any copyright infringement that could materially affect you.

Proprietary Information

We have a proprietary, confidential Brand Standards Manual and related materials that include guidelines, standards and policies for the development and operation of your business. We also claim proprietary rights in other confidential information or trade secrets that include all methods for developing and operating the business, and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, customer data, information and know-how.

You (and your owners, if the franchise is owned by an entity) must protect the confidentiality of our Brand Standards Manual and other proprietary information, and you must use our confidential information only for your franchised business. We may require your managers and key employees to sign confidentiality agreements.

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

Your Participation

You are not required to participate personally in the direct operation of your business. However, we recommend that you participate.

You must designate one person as your “Principal Executive”. The Principal Executive is the executive primarily responsible for your business and has decision-making authority on behalf of the business. The Principal Executive must own at least 10% of the business. The Principal Executive must complete our initial training program. The Principal Executive must complete any post-opening training programs that we develop in the future. The Principal Executive must make reasonable efforts to attend all in-person meetings and remote meetings (such as telephone conference calls), including regional or national brand conferences, that we require. The Principal Executive cannot fail to attend more than three consecutive required meetings.

If your business is owned by an entity, all owners of the business must sign our Guaranty and Non-Compete Agreement (see Attachment 4 to Exhibit B).

“On-Premises” Supervision

You are not required to personally conduct “on-premises” supervision (that is, act as general manager) of your business. However, we recommend on-premises supervision by you.

There is no limit on who you can hire as an on-premises supervisor. The general manager of your business (whether that is you or a hired person) must successfully complete our training program.

If the franchise business is owned by an entity, we do not require that the general manager own any equity in the entity.

Restrictions on Your Manager

If we request, you must have your general manager sign a confidentiality and non-compete agreement. We do not require you to place any other restrictions on your manager.

Item 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale only goods and services that we have approved.

You must offer for sale all goods and services that we require. We have the right to change the types of authorized goods or services, and there are no limits on our right to make changes.

We do not restrict your access to customers, except that all sales must be made to customers in your territory.

Item 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in franchise or other agreement	Summary
a. Length of the franchise term	§ 3.1	10 years from date of franchise agreement.
b. Renewal or extension of the term	§ 3.2	You have the right to renew for additional 10 year terms by entering into a then current franchise agreement with us, which may contain materially different terms and

Provision	Section in franchise or other agreement	Summary
		conditions than your original franchise agreement.
c. Requirements for franchisee to renew or extend	§ 3.2	For our franchise system, "renewal" means that at the end of your term, you sign our successor franchise agreement for an additional 10-year term. To renew, you must give advance notice to us; be in compliance with all contractual obligations to us and third parties; conform your business to then-current standards for new franchisees; sign then-current form of franchise agreement and related documents (including personal guaranty); sign general release (unless prohibited by applicable law). If you continue operating your franchise after the expiration of the term without a renewal agreement, then we may either terminate your operation at any time or deem you to have renewed your agreement for a 5-year term.
d. Termination by franchisee	§ 14.1	If we violate a material provision of the franchise agreement and fail to cure or to make substantial progress toward curing the violation within 30 days after notice from you. You may also terminate by not renewing or selling the franchise pursuant to the terms of the franchise agreement.
e. Termination by franchisor without cause	Not Applicable	
f. Termination by franchisor with cause	§ 14.2	We may terminate your franchise agreement for cause, subject to any applicable notice and cure opportunity.
g. "Cause" defined--curable defaults	§ 14.2	Non-payment by you (10 days to cure); violate franchise agreement other than non-curable default (30 days to cure).
h. "Cause" defined--non-curable defaults	§ 14.2	Misrepresentation when applying to be a franchisee; knowingly submitting false information; insolvency; violation of law; violation of confidentiality; violation of non-compete; violation of transfer

Provision	Section in franchise or other agreement	Summary
		restrictions; slander or libel of us; refusal to cooperate with our audit or evaluation; cease operations for more than 15 consecutive days; three defaults in 12 months; cross-termination; charge or conviction of, or plea to, a felony, commit or be accused of an act that is reasonably likely to materially and unfavorably affect our brand; any other breach of franchise agreement which by its nature cannot be cured.
i. Franchisee's obligations on termination/non-renewal	§§ 14.3 – 14.6	Pay all amounts due; return Manual and proprietary items; notify phone, internet, and other providers and transfer service; cease doing business; remove identification; purchase option by us.
j. Assignment of agreement by franchisor	§ 15.1	Unlimited
k. "Transfer" by franchisee - defined	Article 1	For you (or any owner of your business) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the business, (ii) the franchise agreement, (iii) any direct or indirect ownership interest in the business, or (iv) control of the business.
l. Franchisor's approval of transfer by franchisee	§ 15.2	No transfers without our approval.
m. Conditions for franchisor's approval of transfer	§ 15.2	Pay transfer fee; buyer meets our standards; buyer is not a competitor of ours; buyer and its owners sign our then-current franchise agreement and related documents (including personal guaranty); you've made all payments to us and are in compliance with all contractual requirements; buyer completes training program; you sign a general release; business complies with then-current system specifications.
n. Franchisor's right of first refusal to acquire franchisee's business	§ 15.5	If you want to transfer your business (other than to your co-owner or to your spouse,

Provision	Section in franchise or other agreement	Summary
		sibling, or child), we have a right of first refusal.
o. Franchisor's option to purchase franchisee's business	Not Applicable	
p. Death or disability of franchisee	§§ 2.4, 15.4	If you die or become incapacitated, a new principal executive acceptable to us must be designated to operate the business, and your executor must transfer the business to an approved new owner within nine months.
q. Non-competition covenants during the term of the franchise	§ 13.2	No competition allowed in the United States during the term of the franchise agreement.
r. Non-competition covenants after the franchise is terminated or expires	§ 13.2	For two years after termination or sale of the business, you may not compete in your former territory or the territory of any other We Clean Heat Pumps business operating on the date of termination.
s. Modification of the agreement	§ 18.4	No modification or amendment of the franchise agreement will be effective unless it is in writing and signed by both parties. This provision does not limit our right to modify the Manual or system specifications.
t. Integration/merger clause	§ 18.3	Only the terms of the franchise agreement and other written agreements are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable. However, no claim made in any franchise agreement is intended to disclaim the express representations made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	§ 17.1	You must mediate and arbitrate claims against us. (subject to applicable state law).
v. Choice of forum	§§ 17.1; 17.5	Any mediation, litigation or arbitration must be pursued where our headquarters are located (subject to applicable state law).

Provision	Section in franchise or other agreement	Summary
w. Choice of law	§ 18.8	Except as to claims governed by federal law, the law of the state where we are headquartered applies (subject to applicable state law)

Item 18
PUBLIC FIGURES

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

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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.

Historic Financial Performance Representation

As of December 31, 2024, we had 3 affiliate company store outlets, all 3 of which operated for the entire 2024 year. Below, we set forth the Gross Sales of these 3 affiliated company store outlets for the 2024 calendar year.

Bodoerco LLC-2024	
Began Operating: February 2021	
Service Population: Approx. 13M people	
Service Area: Most of MA; NH, VT commercial clients, ME, RI, CT	
Trucks in Service: 7	
Gross Sales	**$1,107,810**
Less Expense Adjustments that would be incurred if this were a franchised outlet:	
Royalties (6%)	($66,469)
Marketing Fund (2%)	($22,156)
Mandatory Marketing Budget ($2,000 per month)	($24,000)
Total Franchisee Expenses	($112,625)

Adjusted Gross Sales as if a Franchised Outlet	**$995,185**

We Clean Heat Pumps, LLC-2024	
Began Operating: April 2016	
Service Population: Approx. 600,000 people	
Service Area: VT	
Trucks in Service: 4	
Gross Sales	**$457,536**
Less Expense Adjustments that would be incurred if this were a franchised outlet:	
Royalties (6%)	($27,452)
Marketing Fund (2%)	($9,151)
Mandatory Marketing Budget ($2,000 per month)	($24,000)
Total Franchisee Expenses	($60,603)

Adjusted Gross Sales as if a Franchised Outlet	**$396,933**

Viking Draft Co, Inc.-2024	
Began Operating: May 2021	
Service Population: Approx. 15M people	
Service Area: Berkshire County, MA, as well as the following counties in New York: ● Albany ● Columbia ● Dutchess ● Greene ● Kings (Brooklyn) ● Nassau ● New York (Manhattan) ● Orange ● Putnam ● Queens ● Rensselaer ● Rockland ● Saratoga ● Schenectady ● Suffolk ● Ulster ● Westchester	
Trucks in Service: 3	
Gross Sales (see important Note below titled "Viking Draft Co., Inc.")	**$149,578**
Less Expense Adjustments that would be incurred if this were a franchised outlet:	
Royalties (6%)	($8,975)
Marketing Fund (2%)	($2,992)
Mandatory Marketing Budget ($2,000 per month)	($24,000)
Total Franchisee Expenses	($35,967)

Adjusted Gross Sales as if a Franchised Outlet	**$113,611**

Notes Applicable to All Tables:

Material financial and operational differences between the affiliated company outlet and a franchised outlet: There are operational differences between the company outlets whose results are reported in the table above and a franchised outlet that you would operate.

In particular, the following factors vary: age of the outlet, service population, service area, and number of trucks in service. We disclose those facts in the tables above.

Viking Draft Co., Inc.- Further, there is an additional difference with respect to the Viking Draft Co., Inc., whose earnings are presented in Table #3 above. In particular, this outlet earned Gross Sales of $579,104 in 2024, however, $429,578 of those Gross Sales was derived from unrelated services (draft beverage installation, service, and maintenance revenue) and only $149,526 in revenue was derived from HVAC cleaning and maintenance, the services that a franchise offered through this disclosure document would offer. So we use the $149,526 figure for Gross Sales in the third table above.

In addition, there are financial differences. A franchised outlet would incur Royalties (6% of Gross Sales), Marketing Fund Contribution (2% of Gross Sales), and have a Mandatory Marketing Budget spend requirement of $2,000 per month.

Gross Sales is defined in our franchise agreement as the total dollar amount of all sales generated through your business for a given period, including, but not limited to, payment for any services or products sold by you, whether for cash or credit. Gross Sales does not include (i) bona fide refunds to customers, (ii) sales taxes collected, (iii) sale of used equipment not in the ordinary course of business, or (iv) sales of prepaid cards or similar products (but the redemption of any such card or product will be included in Gross Sales)..

Adjusted Gross Sales as if a Franchised Outlet means the Gross Sales less expenses that would have been incurred if this were a franchised outlet, namely Royalties (6%), Marketing Fund Contribution (2%), and Mandatory Marketing Budget ($2,000 per month).

The financial performance representation figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the Gross Sales or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business. Franchisees or former franchisees, listed in the Franchise Disclosure Document, may be one source of this information.

Some outlets have sold and earned this amount. Your individual results may differ. There is no assurance that you'll sell or earn as much.

Written substantiation of the information contained in this Item 19 will be made available to prospective franchisees upon reasonable request.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Marion Bolognesi, Tracy Dowd and Gabriel Matthew Erde-Cohen, 139 Main St Box 31, Brattleboro, VT 05301, and 866-349-2147, the Federal Trade Commission, and the appropriate state regulatory agencies.

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Item 20
OUTLETS AND FRANCHISEE INFORMATION

Table 1
Systemwide Outlet Summary
For Years 2022 to 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	0	0	0
	2023	0	0	0
	2024	0	2	+2
Company-Owned	2022	3	3	0
	2023	3	3	0
	2024	3	3	0
Total Outlets	2022	3	3	0
	2023	3	3	0
	2024	3	5	+2

Table 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2022 to 2024

State	Year	Number of Transfers
All States	2022	0
	2023	0
	2024	0
Total	2022	0
	2023	0
	2024	0

Table 3
Status of Franchised Outlets
For Years 2022 to 2024

State	Year	Outlets at the Start of the Year	Outlets Opened	Termi-Nations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
New Jersey	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
South Carolina	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Totals	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	2	0	0	0	0	2

Table 4
Status of Company-Owned Outlets
For Years 2022 to 2024

State	Year	Outlets at the Start of the Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Massachusetts	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
New York	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Vermont	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Totals	2022	3	0	0	0	0	3
	2023	3	0	0	0	0	3
	2024	3	0	0	0	0	3

Table 5
Projected Openings As Of December 31, 2024

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
New Jersey	0	1	0
Pennsylvania	0	1	0
Totals	0	2	0

Current Franchisees

Exhibit F contains the names of all current franchisees (as of the end of our last fiscal year) and the address and telephone number of each of their outlets.

Former Franchisees

Exhibit F contains the name, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the disclosure document issuance date.

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

Confidentiality Clauses

In the last three fiscal years, no franchisees have signed any contract, order, or settlement provision that directly or indirectly restricts a current or former franchisee from discussing his or her personal experience as a franchisee in our system with any prospective franchisee.

Franchisee Organizations

There are no trademark-specific franchisee organizations associated with our franchise system.

Item 21
FINANCIAL STATEMENTS

Exhibit D contains our unaudited Balance Sheet as of June 30, 2025, our unaudited Profit & Loss Statement for the time period January 1, 2025 – June 30, 2025, our audited financial statements as of our fiscal year ending December 31, 2024, and our unaudited opening balance sheet dated December 31, 2023. Our fiscal year end is December 31.

We have not been in business for three years or more, and therefore cannot include all financial statements required by the Franchise Rule of the Federal Trade Commission.

Item 22
CONTRACTS

Copies of all proposed agreements regarding this franchise offering are attached as the following Exhibits:

A. State Administrators and Agents for Service of Process
B. Franchise Agreement
Attachment 1-Ownership Information
Attachment 2-Guaranty and Non-Compete Agreement
Attachment 3-Franchise Royalty Repayment Agreement
Attachment 4-State Addenda to the Franchise Agreement
C. Form of General Release

Item 23
RECEIPTS

Detachable documents acknowledging your receipt of this disclosure document are attached as the last two pages of this disclosure document.

Exhibit A

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

State	State Administrator	Agent for Service of Process (if different from State Administrator)
California	Commissioner of Business Oversight Department of Business Oversight 1515 K Street Suite 200 Sacramento, CA 95814-4052 866-275-2677	
Hawaii	Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities P.O. Box 40 Honolulu, HI 96810 (808) 586-2722	Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813
Illinois	Franchise Bureau Office of Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	
Indiana	Franchise Section Indiana Securities Division Secretary of State Room E-111 302 W. Washington Street Indianapolis, IN 46204 (317) 232-6681	
Maryland	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Commissioner of Securities 200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Attorney General's Office Consumer Protection Division Attn: Franchise Section 525 W. Ottawa Street Williams Building, 1st Floor Lansing, MI 48933 (517) 373-7117	
Minnesota	Minnesota Department of Commerce Securities-Franchise Registration 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500

State	State Administrator	Agent for Service of Process (if different from State Administrator)
New York	New York State Department of Law Investor Protection Bureau 28 Liberty St. 21st Floor New York, NY 10005 212-416-8236	Secretary of State 99 Washington Avenue Albany, NY 12231
North Dakota	North Dakota Insurance & Securities Department 600 East Boulevard Ave., State Capital Fifth Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-2910	
Oregon	Department of Consumer & Business Services Division of Finance and Corporate Securities Labor and Industries Building Salem, Oregon 97310 (503) 378-4140	
Rhode Island	Department of Business Regulation Securities Division 1511 Pontiac Avenue John O. Pastore Complex–69-1 Cranston, RI 02920-4407 (401) 462-9527	
South Dakota	Division of Insurance 124 South Euclid Suite 104 Pierre, SD 57501-3185 (605) 773-3563	
Virginia	State Corporation Commission 1300 East Main Street 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219
Washington	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507 (360) 902-8760	Department of Financial Institutions Securities Division 150 Israel Rd SW Tumwater, WA 98501 (360) 902-8760
Wisconsin	Division of Securities Department of Financial Institutions Post Office Box 1768 Madison, WI 53701 (608) 266-2801	Securities and Franchise Registration Wisconsin Securities Commission 201 West Washington Avenue, Suite 300 Madison, WI 53703

Exhibit B

FRANCHISE AGREEMENT

WE CLEAN HEAT PUMPS

FRANCHISE AGREEMENT

SUMMARY PAGE		
1.	**Franchisee**	________________________________
2.	**Initial Franchise Fee**	$____________
3.	**Business Location**	________________________________
4.	**Territory**	________________________________
5.	**Opening Deadline**	____________________
6.	**Principal Executive**	____________________
7.	**Franchisee's Address**	____

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Attachment 1-Ownership Information
Attachment 2-Guaranty and Non-Compete Agreement
Attachment 3-Franchise Royalty Repayment Agreement
Attachment 4-State Addenda to the Franchise Agreement

FRANCHISE AGREEMENT

This Agreement is made between We Clean Heat Pumps Franchising CO, LLC, a Wyoming Limited Liability Company ("We Clean Heat Pumps Franchising CO"), and Franchisee effective as of the date signed by We Clean Heat Pumps Franchising CO (the "Effective Date").

Background Statement:

A. We Clean Heat Pumps Franchising CO and its affiliate BODOERCO LLC, have created and own a system (the "System") for developing and operating a service business providing HVAC cleaning and maintenance, under the trade name "We Clean Heat Pumps".

B. The System includes (1) methods, procedures, and standards for developing and operating a We Clean Heat Pumps business, (2) particular products and services, (3) the Marks, (4) training programs, (5) business knowledge, (6) marketing plans and concepts, and (7) other mandatory or optional elements as determined by We Clean Heat Pumps Franchising CO from time to time.

C. The parties desire that We Clean Heat Pumps Franchising CO license the Marks and the System to Franchisee for Franchisee to develop and operate a We Clean Heat Pumps business on the terms and conditions of this Agreement.

ARTICLE 1. DEFINITIONS

"**Action**" means any action, suit, proceeding, claim, demand, governmental investigation, governmental inquiry, judgment or appeal thereof, whether formal or informal.

"**Approved Vendor**" means a supplier, vendor, or distributor of Inputs which has been approved by We Clean Heat Pumps Franchising CO.

"**Business**" means the We Clean Heat Pumps business owned by Franchisee and operated under this Agreement.

"**Competitor**" means any business which offers products or services the same or similar as the franchise brand.

"**Confidential Information**" means all non-public information of or about the System, We Clean Heat Pumps Franchising CO, and any We Clean Heat Pumps business, including all methods for developing and operating the Business, and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, customer data, information and know-how.

"**Gross Sales**" means the total dollar amount of all sales generated through the Business for a given period, including, but not limited to, payment for any services or products sold by Franchisee, whether for cash or credit. Gross Sales does not include (i) bona fide refunds to customers, (ii) sales taxes collected by Franchisee, (iii) sales of used equipment not in the ordinary course of business, or (iv) sales of prepaid cards or similar products (but the redemption of any such card or product will be included in Gross Sales).

"**Input**" means any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating the Business.

"**Location**" means the location stated on the Summary Page.

"**Losses**" includes (but is not limited to) all losses; damages; fines; charges; expenses; lost profits; reasonable attorneys' fees; travel expenses, expert witness fees; court costs; settlement amounts; judgments; loss of We Clean Heat Pumps Franchising CO's reputation and goodwill; costs of or resulting from delays; financing; costs of advertising material and media time/space and the costs of changing, substituting or replacing the same; and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described.

"**Manual**" means We Clean Heat Pumps Franchising CO's confidential Brand Standards Manual(s), including any supplements, additions, or revisions from time to time, which may be in any form or media.

"**Marketing Fund**" means the fund established (or which may be established) by We Clean Heat Pumps Franchising CO into which Marketing Fund Contributions are deposited.

"**Marks**" means the trade name and logo contained on the Summary Page, and all other trade names, trademarks, service marks and logos specified by We Clean Heat Pumps Franchising CO from time to time for use in a We Clean Heat Pumps business.

"**Owner**" means each person or entity which directly or indirectly owns or controls any equity of Franchisee. If Franchisee is an individual person, then "Owner" means Franchisee.

"**Required Vendor**" means a supplier, vendor, or distributor of Inputs which We Clean Heat Pumps Franchising CO requires franchisees to use.

"**System Standards**" means, as of any given time, the then-current mandatory procedures, requirements, and/or standards of the System as determined by We Clean Heat Pumps Franchising CO, which may include without limitation, any procedures, requirements and/or standards for appearance, business metrics, cleanliness, customer service, design, equipment, inventory, marketing and public relations, operating days, operating hours, presentation of Marks, product and service offerings, quality of products and services (including any guaranty and warranty programs), reporting, safety, technology (such as computers, computer peripheral equipment, smartphones, point-of-sale systems, back-office systems, information management systems, security systems, video monitors, other software, backup and archiving systems, communications systems (including email, audio, and video systems), payment acceptance systems, and internet access, as well as upgrades, supplements, and modifications thereto), uniforms, and vehicles.

"**Territory**" means the territory stated on the Summary Page.

"**Transfer**" means for Franchisee (or any Owner) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the Business, (ii) this Agreement, (iii) any direct or indirect ownership interest in the Business, or (iv) control of the Business.

ARTICLE 2. GRANT OF FRANCHISE

2.1 Grant. We Clean Heat Pumps Franchising CO grants to Franchisee the right to operate a We Clean Heat Pumps business solely in the Territory. Franchisee shall develop, open and operate a We Clean Heat Pumps business in the Territory for the entire term of this Agreement.

2.2 Protected Territory.

(a) Limitation. Franchisee shall not solicit or market to potential customers outside of the Territory, except for solicitations or marketing which are primarily targeted inside the Territory and which incidentally reach potential customers outside of the Territory.

(b) Service. Franchisee shall not serve customers outside of the Territory without We Clean Heat Pumps Franchising CO's prior written permission. We Clean Heat Pumps Franchising CO may withdraw permission at any time. If Franchisee serves a customer outside of the Territory without We Clean Heat Pumps Franchising CO's prior written permission, We Clean Heat Pumps Franchising CO may impose a fee equal to the greater of (i) $500 or (ii) 75% of the amount paid by such customer to Franchisee. This fee is a reasonable estimate of We Clean Heat Pumps Franchising CO's internal cost of personnel time attributable to addressing Franchisee's breach of this Section, and it is not a penalty or estimate of all damages arising from Franchisee's breach. This fee is in addition to all of We Clean Heat Pumps Franchising CO's other rights and remedies.

(c) Exclusivity. We Clean Heat Pumps Franchising CO shall not establish, nor license the establishment of, another business within the Territory or which serves customers located in the Territory selling the same or similar goods or services under the same or similar trademarks or service marks as a We Clean Heat Pumps business. However, We Clean Heat Pumps Franchising CO retains the right to:

(i) serve (or authorize other franchisees to serve) customers in the Territory if Franchisee is in default, or if Franchisee is incapable of meeting customer demand in the Territory (in We Clean Heat Pumps Franchising CO's reasonable opinion);

(ii) serve (or authorize other franchisees to serve) a particular customer in the Territory if Franchisee fails to properly serve such customer, or if We Clean Heat Pumps Franchising CO reasonably believes that Franchisee will not properly serve such customer;

(iii) establish and license others to establish and operate We Clean Heat Pumps businesses outside the Territory;

(iv) operate and license others to operate businesses anywhere that do not operate under the We Clean Heat Pumps brand name; and

(v) sell and license others to sell We Clean Heat Pumps products and services to customers in the Territory through channels of distribution (including the internet) so long as such products and services are not provided through a We Clean Heat Pumps outlet in the Territory, and are different from the products and services provided by Franchisee.

(d) Policies. We Clean Heat Pumps Franchising CO may set policies binding on all franchisees regarding soliciting, marketing, and serving customers in another franchisee's territory, and We Clean Heat Pumps Franchising CO may waive or modify such policies in any circumstance as We Clean Heat Pumps Franchising CO determines. If Franchisee obtains a customer in the protected territory of another franchisee, then, in addition to all other rights and remedies We Clean Heat Pumps Franchising CO may have, We Clean Heat Pumps Franchising CO may in its discretion (i) require Franchisee to transfer the customer to such other franchisee, (ii) require Franchisee to pay such other franchisee 75% of the Gross Sales received from such customer, or (iii) fashion such other remedy as We Clean Heat Pumps Franchising CO deems appropriate.

(e) Referrals. We Clean Heat Pumps Franchising CO may set policies binding on all franchisees regarding referral fees (and other terms and conditions) when a customer is referred from one We Clean Heat Pumps business to another. We Clean Heat Pumps Franchising CO may waive or modify such policies in any circumstance as We Clean Heat Pumps Franchising CO determines.

2.3 Franchisee Control. Franchisee represents that Attachment 1 (i) identifies each owner, officer and director of Franchisee, and (ii) describes the nature and extent of each owner's interest in Franchisee. If any information on Attachment 1 changes (which is not a Transfer), Franchisee shall notify We Clean Heat Pumps Franchising CO within 10 days.

2.4 Principal Executive. Franchisee agrees that the person designated as the "Principal Executive" on the Summary Page is the executive primarily responsible for the Business and has decision-making authority on behalf of Franchisee. The Principal Executive must have at least 10% ownership interest in Franchisee. The Principal Executive must participate in the direct operation of the Business and must devote substantial time and attention to the Business. If the Principal Executive dies, becomes incapacitated, transfers his/her interest in Franchisee, or otherwise ceases to be the executive primarily responsible for the Business, Franchisee shall promptly designate a new Principal Executive, subject to We Clean Heat Pumps Franchising CO's reasonable approval.

2.5 Guaranty. If Franchisee is an entity, then Franchisee shall have each Owner sign a personal guaranty of Franchisee's obligations to We Clean Heat Pumps Franchising CO, in the form of Attachment 2.

2.6 No Conflict. Franchisee represents to We Clean Heat Pumps Franchising CO that Franchisee and each of its Owners (i) are not violating any agreement (including any confidentiality or non-competition covenant) by entering into or performing under this Agreement, (ii) are not a direct or indirect owner of any Competitor, and (iii) are not listed or "blocked" in connection with, and are not in violation under, any anti-terrorism law, regulation, or executive order.

ARTICLE 3. TERM

3.1 Term. This Agreement commences on the Effective Date and continues for 10 years.

3.2 Successor Agreement. When the term of this Agreement expires, Franchisee may enter into a successor agreement for additional periods of 10 years each, subject to the following conditions prior to each expiration:

(i) Franchisee notifies We Clean Heat Pumps Franchising CO of the election to renew between 90 and 180 days prior to the end of the term;

(ii) Franchisee (and its affiliates) are in compliance with this Agreement and all other agreements with We Clean Heat Pumps Franchising CO (or any of its affiliates) at the time of election and at the time of renewal;

(iii) Franchisee has made or agrees to make (within a period of time acceptable to We Clean Heat Pumps Franchising CO) changes to the Business as We Clean Heat Pumps Franchising CO requires to conform to the then-current System Standards;

(iv) Franchisee and its Owners execute We Clean Heat Pumps Franchising CO's then-current standard form of franchise agreement and related documents (including personal guaranty), which may be materially different than this form (including, without limitation, higher and/or different fees), except that (A) Franchisee will not pay another initial franchise fee, (B) Franchisee will not receive more renewal or successor terms than described in this Section, and (C) the Territory will not be changed;

(v) Franchisee and each Owner executes a general release (on We Clean Heat Pumps Franchising CO's then-standard form) of any and all claims against We Clean Heat Pumps Franchising CO, its affiliates, and their respective owners, officers, directors, agents and employees.

ARTICLE 4. FEES

4.1 Initial Franchise Fee. Upon signing this Agreement, Franchisee shall pay an initial franchise fee in the amount stated on the Summary Page. This initial franchise fee is not refundable.

4.2 Royalty Fee. You agree to pay to us a monthly royalty fee (the "Royalty Fee") equal to 6% of Gross Sales that you had the prior month. The Royalty Fee for any given month is due on the 2nd day of the following month.

We currently receive your Gross Sales revenue then deduct royalties, marketing fund contributions, and any other amounts that you may owe to us, then remit the net amount to you by the 10th of each month as to your Gross Sales the prior month

We may require you to execute a pre-authorized bank draft. However, we can require an alternative payment method.

4.3 Marketing Fund Contribution.

Franchisee shall pay We Clean Heat Pumps Franchising CO a contribution to the Marketing Fund (the "Marketing Fund Contribution") equal to 2% of Franchisee's Gross Sales (or such lesser amount as We Clean Heat Pumps Franchising CO determines), at the same time as the Royalty Fee.

4.4 Replacement / Additional Training Fee. If Franchisee sends an employee to We Clean Heat Pumps Franchising CO's training program after opening, We Clean Heat Pumps Franchising CO may charge its then-current training fee. As of the date of this Agreement, the training fee is $1,000 per day.

4.5 Non-Compliance Fee. We Clean Heat Pumps Franchising CO may charge Franchisee $500 for any instance of non-compliance with the System Standards or this Agreement (other than Franchisee's non-payment of a fee owed to We Clean Heat Pumps Franchising CO) which Franchisee fails to cure after 30 days' notice. Thereafter, We Clean Heat Pumps Franchising CO may charge Franchisee $250 per week until Franchisee ceases such non-compliance. This fee is a reasonable estimate of We Clean Heat Pumps Franchising CO's internal cost of personnel time attributable to addressing the non-compliance, and it is not a penalty or estimate of all damages arising from Franchisee's breach. The non-compliance fee is in addition to all of We Clean Heat Pumps Franchising CO's other rights and remedies (including default and termination under Section 14.2).

4.6 Reimbursement. We Clean Heat Pumps Franchising CO may (but is never obligated to) pay on Franchisee's behalf any amount that Franchisee owes to a supplier or other third party. If We Clean Heat Pumps Franchising CO does so or intends to do so, Franchisee shall pay such amount plus a 10% administrative charge to We Clean Heat Pumps Franchising CO within 15 days after invoice by We Clean Heat Pumps Franchising CO accompanied by reasonable documentation.

4.7 Payment Terms.

(a) Method of Payment. Franchisee shall pay the Royalty Fee, Marketing Fund Contribution, and any other amounts owed to We Clean Heat Pumps Franchising CO by pre-authorized bank draft or in such other manner as We Clean Heat Pumps Franchising CO may require. Franchisee shall comply with We Clean Heat Pumps Franchising CO's payment instructions.

(b) Calculation of Fees. Franchisee shall report monthly Gross Sales to We Clean Heat Pumps Franchising CO by the 2nd day of the following month. If Franchisee fails to report monthly Gross Sales, then We Clean Heat Pumps Franchising CO may withdraw estimated Royalty Fees and Marketing Fund Contributions equal to 125% of the last Gross Sales reported to We Clean Heat Pumps Franchising CO, and the parties will true-up the actual fees after Franchisee reports Gross Sales. Franchisee acknowledges that We Clean Heat Pumps Franchising CO has the right to remotely access Franchisee's point-of-sale system to calculate Gross Sales.

(c) Late Fees and Interest. If Franchisee does not make a payment on time, Franchisee shall pay a $100 "late fee" plus interest on the unpaid amount at a rate equal to 18% per year (or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law).

(d) Insufficient Funds. We Clean Heat Pumps Franchising CO may charge $30 for any payment returned for insufficient funds (or, if such amount exceeds the maximum allowed by law, then the fee allowed by law).

(e) Costs of Collection. Franchisee shall repay any costs incurred by We Clean Heat Pumps Franchising CO (including reasonable attorney fees) in attempting to collect payments owed by Franchisee.

(f) Application. We Clean Heat Pumps Franchising CO may apply any payment received from Franchisee to any obligation and in any order as We Clean Heat Pumps Franchising CO may determine, regardless of any designation by Franchisee.

(g) Obligations Independent; No Set-Off. The obligations of Franchisee to pay to We Clean Heat Pumps Franchising CO any fees or amounts described in this Agreement are not dependent on We Clean Heat Pumps Franchising CO's performance and are independent covenants by Franchisee. Franchisee shall make all such payments without offset or deduction.

ARTICLE 5. ASSISTANCE

5.1 Manual. We Clean Heat Pumps Franchising CO shall make its Manual available to Franchisee.

5.2 Assistance in Hiring Employees. We Clean Heat Pumps Franchising CO shall provide its suggested staffing levels to Franchisee. We Clean Heat Pumps Franchising CO shall provide suggested guidelines for hiring employees. All hiring decisions and conditions of employment are Franchisee's sole responsibility.

5.3 Assistance in Training Employees. We Clean Heat Pumps Franchising CO shall, to the extent it deems appropriate, provide programs for Franchisee to conduct training of new employees.

5.4 Pre-Opening Assistance.

(a) Pre-Opening Specifications and Vendors. To the extent not included in the Manual, We Clean Heat Pumps Franchising CO shall provide Franchisee with (i) applicable System Standards and other specifications as We Clean Heat Pumps Franchising CO deems appropriate (which may include specifications regarding inventory, supplies, materials, and other matters), and (ii) We Clean Heat Pumps Franchising CO's lists of Approved Vendors and/or Required Vendors.

(b) Business Plan Review. If requested by Franchisee, We Clean Heat Pumps Franchising CO shall review and advise on Franchisee's pre-opening business plan and financial projections. **Franchisee acknowledges that We Clean Heat Pumps Franchising CO accepts no responsibility for the performance of the Business.**

(c) Pre-Opening Training. We Clean Heat Pumps Franchising CO shall make available its standard pre-opening training to the Principal Executive and up to one other team member, at We Clean Heat Pumps Franchising CO's headquarters and/or at a We Clean Heat Pumps business designated by We Clean Heat Pumps Franchising CO. We Clean Heat Pumps Franchising CO shall not charge any fee for this training. Franchisee is responsible for its own travel, lodging, meal, and other out-of-pocket expenses. We Clean Heat Pumps Franchising CO reserves the right to vary the length and content of the initial training program based on the experience and skill level of any individual attending the program.

(d) Market Introduction Plan. We Clean Heat Pumps Franchising CO shall advise Franchisee regarding the planning and execution of Franchisee's market introduction plan.

(e) On-Site Opening Assistance. We Clean Heat Pumps Franchising CO shall have a representative support Franchisee's business opening with 2 days of onsite opening training and assistance and 3 days of virtual training and assistance.

5.5 Post-Opening Assistance.

(a) Advice, Consulting, and Support. If Franchisee requests, We Clean Heat Pumps Franchising CO will provide advice to Franchisee (by telephone or electronic communication) regarding improving and developing Franchisee's business, and resolving operating problems Franchisee encounters, to the extent We Clean Heat Pumps Franchising CO deems reasonable. If We Clean Heat Pumps Franchising CO provides in-person support in response to Franchisee's request, We Clean Heat Pumps Franchising CO may charge its then-current fee plus any out-of-pocket expenses (such as travel, lodging, and meals for employees providing onsite support).

(b) Pricing. Upon request, We Clean Heat Pumps Franchising CO will provide recommended prices for products and services offered by franchisees of the System.

(c) Procedures. We Clean Heat Pumps Franchising CO will provide Franchisee with We Clean Heat Pumps Franchising CO's recommended administrative, bookkeeping, accounting, and inventory control procedures. We Clean Heat Pumps Franchising CO may make any such procedures part of required (and not merely recommended) System Standards.

(d) Marketing. We Clean Heat Pumps Franchising CO shall manage the Marketing Fund.

(e) Internet. We Clean Heat Pumps Franchising CO shall maintain a website for We Clean Heat Pumps, which will include Franchisee's location (or territory) and telephone number.

ARTICLE 6. LOCATION, DEVELOPMENT, AND OPENING

6.1 Location. Franchisee is solely responsible for selecting the Location. If the Location is not stated on the Summary Page, then Franchisee shall find a suitable Location that meets We Clean Heat Pumps Franchising CO's System Standards (if any) within the Territory.

6.2 Lease. In connection with any lease between Franchisee and the landlord of the Location: (i) if requested by We Clean Heat Pumps Franchising CO, Franchisee must submit the proposed lease to We Clean Heat Pumps Franchising CO for written approval, and (ii) the term of the lease (including renewal terms) must be for a period of not less than the term of this Agreement.

6.3 Development. If the Location will be open to the public or used for meeting customers or potential customers, then Franchisee shall construct (or remodel) and finish the Location in conformity with We Clean Heat Pumps Franchising CO's System Standards.

6.4 New Franchisee Training. Franchisee's Principal Executive must complete We Clean Heat Pumps Franchising CO's training program for new franchisees to We Clean Heat Pumps Franchising CO's satisfaction at least four weeks before opening the Business.

6.5 Conditions to Opening. Franchisee shall notify We Clean Heat Pumps Franchising CO at least 30 days before Franchisee intends to open the Business. Before opening, Franchisee must satisfy all of the following conditions: (1) Franchisee is in compliance with this Agreement, (2) Franchisee has obtained all applicable governmental permits and authorizations, (3) the Business conforms to all applicable System Standards, (4) Franchisee has hired sufficient employees, (5) Franchisee's officers and employees have completed all of We Clean Heat Pumps Franchising CO's required pre-opening training; and (6) We Clean Heat Pumps Franchising CO has given its written approval to open, which will not be unreasonably withheld.

6.6 Opening Date. Franchisee shall open the Business on or before the date stated on the Summary Page.

ARTICLE 7. OPERATIONS

7.1 Compliance with Manual and System Standards. Franchisee shall at all times and at its own expense comply with all mandatory obligations contained in the Manual and with all other System Standards.

7.2 Compliance with Law. Franchisee and the Business shall comply with all laws and regulations. Franchisee and the Business shall obtain and keep in force all governmental permits and licenses necessary for the Business.

7.3 Products and Services. Franchisee shall offer all products and services, and only those products and services, from time to time prescribed by We Clean Heat Pumps Franchising CO in the Manual or otherwise in writing. Franchisee shall provide all products and perform all services in a high-quality manner that meets or exceeds the customer's reasonable expectations and all applicable System Standards. Franchisee shall implement any guaranties, warranties, or similar commitments regarding products and/or services that We Clean Heat Pumps Franchising CO may require.

7.4 Prices. Franchisee acknowledges that the System Standards determined by We Clean Heat Pumps Franchising CO may include the minimum, maximum, and/or exact prices that franchisees may charge for products or services sold (except to the extent such authority is limited or prohibited by applicable law).

7.5 Personnel.

(a) Service. Franchisee shall cause its personnel to render competent and courteous service to all customers and members of the public.

(b) Appearance. Franchisee shall cause its personnel to comply with any dress attire, uniform, personal appearance and hygiene standards set forth in the Manual.

(c) Qualifications. We Clean Heat Pumps Franchising CO may set minimum qualifications for categories of employees employed by Franchisee.

(d) Sole Responsibility. Franchisee is solely responsible for the terms and conditions of employment of all of its personnel, including recruiting, hiring, training, scheduling, supervising, compensation, and termination. Franchisee is solely responsible for all actions of its personnel. Franchisee and We Clean Heat Pumps Franchising CO are not joint employers, and no employee of Franchisee will be an agent or employee of We Clean Heat Pumps Franchising CO. Within seven days of We Clean Heat Pumps Franchising CO's request, Franchisee and each of its employees will sign an acknowledgment form stating that Franchisee alone (and not We Clean Heat Pumps Franchising CO) is the employee's sole employer. Franchisee will use its legal name on all documents with its employees and independent contractors, including, but not limited to, employment applications, time cards, pay checks, and employment and independent contractor agreements, and Franchisee will not use the Marks on any of these documents.

7.6 Post-Opening Training. We Clean Heat Pumps Franchising CO may at any time require that the Principal Executive and/or any other employees complete training programs, in any format and in any location determined by We Clean Heat Pumps Franchising CO. We Clean Heat Pumps Franchising CO may charge a reasonable fee for any training programs. We Clean Heat Pumps Franchising CO may require Franchisee to provide training programs to its employees. If a training program is held at a location which requires travel by the Principal Executive or any other employee, then Franchisee shall pay all travel, living and other expenses.

7.7 Software. Without limiting the generality of Section 7.1 or Section 8.1, Franchisee shall acquire and use all software and related systems required by We Clean Heat Pumps Franchising CO. Franchisee shall enter into any subscription and support agreements that We Clean Heat Pumps Franchising CO may require. Franchisee shall upgrade, update, or replace any software from time to time as We Clean Heat Pumps Franchising CO may require. Franchisee shall protect the confidentiality and security of all software systems, and Franchisee shall abide by any System Standards related thereto.

You must give us independent access to the information that will be generated or stored in your computer systems. The information that we may access will include sales, customer data, and reports. There is no contractual limitation on our right to access the information.

Franchisee shall give We Clean Heat Pumps Franchising CO unlimited access to Franchisee's point of sale system and other software systems used in the Business, by any means designated by We Clean Heat Pumps Franchising CO.

7.8 Customer Complaints. Franchisee shall use its best efforts to promptly resolve any customer complaints. We Clean Heat Pumps Franchising CO may take any action it deems appropriate to resolve a customer complaint regarding the Business, and We Clean Heat Pumps Franchising CO may require Franchisee to reimburse We Clean Heat Pumps Franchising CO for any expenses.

7.9 Evaluation and Compliance Programs. Franchisee shall participate at its own expense in programs required from time to time by We Clean Heat Pumps Franchising CO for obtaining customer evaluations, reviewing Franchisee's compliance with the System, and/or managing customer complaints, which may include (but are not limited to) a customer feedback system, customer survey programs, and mystery shopping. We Clean Heat Pumps Franchising CO shall share with Franchisee the results of these programs, as they pertain to the Business. Franchisee must meet or exceed any minimum score requirements set by We Clean Heat Pumps Franchising CO for such programs. We Clean Heat Pumps Franchising CO may set minimum scores that Franchisee must receive from the public on internet review sites (such as Yelp or Google).

7.10 Payment Systems. Franchisee shall accept payment from customers in any form or manner designated by We Clean Heat Pumps Franchising CO (which may include, for example, cash, specific credit and/or debit cards, gift cards, electronic fund transfer systems, and mobile payment systems). Franchisee shall purchase or lease all equipment and enter into all business relationships necessary to accept payments as required by We Clean Heat Pumps Franchising CO. Franchisee must at all times comply with payment card industry data security standards (PCI-DSS).

7.11 Gift Cards, Loyalty Programs, and Incentive Programs. At its own expense, Franchisee shall sell or otherwise issue gift cards, certificates, or other pre-paid systems, and participate in any customer loyalty programs, membership/subscription programs, or customer incentive programs, designated by We Clean Heat Pumps Franchising CO, in the manner specified by We Clean Heat Pumps Franchising CO in the Manual or otherwise in writing. Franchisee shall honor all valid gift cards and other pre-paid systems, regardless of whether issued by Franchisee or another We Clean Heat Pumps business. Franchisee shall comply with all procedures and specifications of We Clean Heat Pumps Franchising CO related to gift cards, certificates, and other pre-paid systems, or related to customer loyalty, membership/subscription, or customer incentive programs.

7.12 Maintenance and Repair. If the Location will be open to the public or used for meeting customers or potential customers, then Franchisee shall at all times keep the Business in a neat and clean condition, perform all appropriate maintenance, and keep all physical property in good repair. In addition, Franchisee shall promptly perform all work on the physical property of the Business as We Clean Heat Pumps Franchising CO may prescribe from time to time.

7.13 Vehicles. If Franchisee uses one or more vehicles for the Business, Franchisee shall ensure that all vehicles comply with all applicable System Standards, including without limitation required equipment and exterior décor. Franchisee shall keep all vehicles in excellent or better condition, clean, and free of dents and other damage, and shall ensure that the vehicles presents a first-class image appropriate to We Clean Heat Pumps Franchising CO's System. Franchisee shall use the vehicle solely for the Business.

7.14 Meetings. The Principal Executive shall use reasonable efforts to attend all in-person meetings and remote meetings (such as telephone conference calls) that We Clean Heat Pumps Franchising CO requires, including any national or regional brand conventions. Franchisee shall not permit the Principal Executive to fail to attend more than three consecutive required meetings.

7.15 Insurance.

(a) Franchisee shall obtain and maintain insurance policies in the types and amounts as specified by We Clean Heat Pumps Franchising CO in the Manual. If not specified in the Manual, Franchisee shall maintain at least the following insurance coverage:

(i) Commercial General Liability insurance, including products liability coverage, and broad form commercial liability coverage, written on an "occurrence" policy form in an amount of not less than $1,000,000 single limit per occurrence and $2,000,000 aggregate limit;

(ii) Business Automobile Liability insurance including owned, leased, non-owned and hired automobiles coverage in an amount of not less than $1,000,000; and

(iii) Workers Compensation coverage as required by state law.

(b) Franchisee's policies (other than Workers Compensation) must (1) list We Clean Heat Pumps Franchising CO and its affiliates as an additional insured, (2) include a waiver of subrogation in favor of We Clean Heat Pumps Franchising CO and its affiliates, (3) be primary and non-contributing with any insurance carried by We Clean Heat Pumps Franchising CO or its affiliates, and (4) stipulate that We Clean Heat Pumps Franchising CO shall receive 30 days' prior written notice of cancellation.

7.16 Payments to Third Parties and Government. Franchisee shall pay all vendors and suppliers in a timely manner. Franchisee shall pay all taxes when due. If Franchisee borrows money, it shall comply with the terms of its loan and make all loan payments when due. If Franchisee leases the Location, Franchisee shall comply with its lease for the Location and make all rent payments when due.

7.17 Public Relations. Franchisee shall not make any public statements (including giving interviews or issuing press releases) regarding We Clean Heat Pumps, the Business, or any particular incident or occurrence related to the Business, without We Clean Heat Pumps Franchising CO's prior written approval, which will not be unreasonably withheld.

7.18 Association with Causes. Franchisee shall not in the name of the Business (i) donate money, products, or services to any charitable, political, religious, or other organization, or (ii) act in support of any such organization, without We Clean Heat Pumps Franchising CO's prior written approval, which will not be unreasonably withheld.

7.19 No Other Activity Associated with the Business. Franchisee shall not use the assets of the Business for any purpose other than the Business. Franchisee shall not "co-brand" or associate any other business activity with the We Clean Heat Pumps Business in a manner which is likely to cause the public to perceive it to be related to the We Clean Heat Pumps Business. If Franchisee is an entity, the entity shall not own or operate any other business except We Clean Heat Pumps businesses.

7.20 No Third-Party Management. Franchisee shall not engage a third-party management company to manage or operate the Business without the prior written approval of We Clean Heat Pumps Franchising CO, which will not be unreasonably withheld.

7.21 No Subcontracting. Franchisee shall not subcontract or delegate to a third party any services to be performed by Franchisee for a customer (other than engaging individuals as independent contractors in the ordinary course of business).

7.22 Identification. Franchisee must identify itself as the independent owner of the Business in the manner prescribed by We Clean Heat Pumps Franchising CO.

7.23 Business Practices. Franchisee, in all interactions with customers, employees, vendors, governmental authorities, and other third parties, shall be honest and fair. Franchisee shall comply with any code of ethics or statement of values from We Clean Heat Pumps Franchising CO. Franchisee shall not take any action which may injure the goodwill associated with the Marks.

ARTICLE 8. SUPPLIERS AND VENDORS

8.1 Generally. Franchisee shall acquire all Inputs required by We Clean Heat Pumps Franchising CO from time to time in accordance with System Standards. We Clean Heat Pumps Franchising CO may require Franchisee to purchase or lease any Inputs from We Clean Heat Pumps Franchising CO, We Clean Heat Pumps Franchising CO's designee, Required Vendors, Approved Vendors, and/or under We Clean Heat Pumps Franchising CO's specifications. We Clean Heat Pumps Franchising CO may change any such requirement or change the status of any vendor. To make such requirement or change effective, We Clean Heat Pumps Franchising CO shall issue the appropriate System Standards.

8.2 Alternate Vendor Approval. If We Clean Heat Pumps Franchising CO requires Franchisee to purchase a particular Input only from an Approved Vendor or Required Vendor, and Franchisee desires to purchase the Input from another vendor, then Franchisee must submit a written request for approval and any information, specifications and/or samples requested by We Clean Heat Pumps Franchising CO. We Clean Heat Pumps Franchising CO may condition its approval on such criteria as We Clean Heat Pumps Franchising CO deems appropriate, which may include evaluations of the vendor's capacity, quality, financial stability, reputation, and reliability; inspections; product testing, and performance reviews. We Clean Heat Pumps Franchising CO will provide Franchisee with written notification of the approval or disapproval of any proposed new vendor within 30 days after receipt of Franchisee's request.

8.3 Alternate Input Approval. If We Clean Heat Pumps Franchising CO requires Franchisee to purchase a particular Input, and Franchisee desires to purchase an alternate to the Input, then Franchisee must submit a written request for approval and any information, specifications and/or samples requested by We Clean Heat Pumps Franchising CO. We Clean Heat Pumps Franchising CO will provide Franchisee with written notification of the approval or disapproval of any proposed alternate Input within 30 days after receipt of Franchisee's request.

8.4 Purchasing. We Clean Heat Pumps Franchising CO may negotiate prices and terms with vendors on behalf of the System. We Clean Heat Pumps Franchising CO may receive rebates, payments, or other consideration from vendors in connection with purchases by franchisees. We Clean Heat Pumps Franchising CO has the right (but not the obligation) to collect payments from Franchisee on behalf of a vendor and remit the payments to the vendor, and to impose a reasonable markup or charge for administering the payment program. We Clean Heat Pumps Franchising CO may implement a centralized purchasing system. We Clean Heat Pumps Franchising CO may establish a purchasing cooperative and require Franchisee to join and participate in the purchasing cooperative on such terms and conditions as We Clean Heat Pumps Franchising CO may determine.

8.5 No Liability of Franchisor. We Clean Heat Pumps Franchising CO shall not have any liability to Franchisee for any claim or loss related to any product provided or service performed by any Approved Vendor or Required Vendor, including without limitation defects, delays, or unavailability of products or services.

8.6 Product Recalls. If We Clean Heat Pumps Franchising CO or any vendor, supplier, or manufacturer of an item used or sold in Franchisee's Business issues a recall of such item or otherwise notifies Franchisee that such item is defective or dangerous, Franchisee shall immediately cease using or selling such item, and Franchisee shall at its own expense comply with all instructions from We Clean Heat Pumps Franchising CO or the vendor, supplier, or manufacturer of such item with respect to such item, including without limitation the recall, repair, and/or replacement of such item.

ARTICLE 9. MARKETING

9.1 Approval and Implementation. Franchisee shall not conduct any marketing, advertising or public relations activities (including websites, online advertising, social media marketing or presence, and sponsorships) that have not been approved by We Clean Heat Pumps Franchising CO. We Clean Heat Pumps Franchising CO may (but is not obligated to) operate all "social media" accounts on behalf of the System, or it may permit franchisees to operate one or more accounts. Franchisee must comply with any System Standards regarding marketing, advertising, and public relations, include any social media policy that We Clean Heat Pumps Franchising CO may prescribe. Franchisee shall implement any marketing plans or campaigns determined by We Clean Heat Pumps Franchising CO.

9.2 Use By We Clean Heat Pumps Franchising CO. We Clean Heat Pumps Franchising CO may use any marketing materials or campaigns developed by or on behalf of Franchisee, and Franchisee hereby grants an unlimited, perpetual, royalty-free license to We Clean Heat Pumps Franchising CO for such purpose.

9.3 Marketing Fund. We Clean Heat Pumps Franchising CO may establish a Marketing Fund to promote the System on a local, regional, national, and/or international level. If We Clean Heat Pumps Franchising CO has established a Marketing Fund:

(a) Separate Account. We Clean Heat Pumps Franchising CO shall hold the Marketing Fund Contributions from all franchisees in one or more bank accounts separate from We Clean Heat Pumps Franchising CO's other accounts.

(b) Use. We Clean Heat Pumps Franchising CO shall use the Marketing Fund only for marketing, advertising, and public relations materials, programs and campaigns (including at local, regional, national, and/or international level), and related overhead. The foregoing includes such activities and expenses as We Clean Heat Pumps Franchising CO reasonably determines, and may include, without limitation: development and placement of advertising and promotions; sponsorships; contests and sweepstakes; development of décor, trade dress, Marks, and/or branding; development and maintenance of brand websites; social media; internet activities; e-commerce programs; search engine optimization; market research; public relations, media or agency costs; trade shows and other events; printing and mailing; and administrative and overhead expenses related to the Marketing Fund (including the compensation of We Clean Heat Pumps Franchising CO's employees working on marketing and for accounting, bookkeeping, reporting, legal and other expenses related to the Marketing Fund).

(c) Discretion. Franchisee agrees that expenditures from the Marketing Fund need not be proportionate to contributions made by Franchisee or provide any direct or indirect benefit to Franchisee. The Marketing Fund will be spent at We Clean Heat Pumps Franchising CO's sole discretion, and We Clean Heat Pumps Franchising CO has no fiduciary duty with regard to the Marketing Fund.

(d) Contribution by Other Outlets. We Clean Heat Pumps Franchising CO is not obligated to (i) have all other We Clean Heat Pumps businesses (whether owned by other franchisees or by We Clean Heat Pumps Franchising CO or its affiliates) contribute to the Marketing Fund, or (ii) have other We Clean Heat Pumps businesses that do contribute to the Marketing Fund contribute the same amount or at the same rate as Franchisee.

(e) Surplus or Deficit. We Clean Heat Pumps Franchising CO may accumulate funds in the Marketing Fund and carry the balance over to subsequent years. If the Marketing Fund operates at a deficit or requires additional funds at any time, We Clean Heat Pumps Franchising CO may loan such funds to the Marketing Fund on reasonable terms.

(f) Financial Statement. We Clean Heat Pumps Franchising CO will prepare an unaudited annual financial statement of the Marketing Fund within 120 days of the close of We Clean Heat Pumps Franchising CO's fiscal year and will provide the financial statement to Franchisee upon request.

9.4 Mandatory Marketing Budget. We require you to spend $2,000 each month per our guidelines on local marketing campaigns and you would normally pay the vendors directly.

9.5 Market Introduction Plan. Franchisee must develop a market introduction plan and obtain We Clean Heat Pumps Franchising CO's approval of the market introduction plan at least 30 days before the projected opening date of the Business.

ARTICLE 10. RECORDS AND REPORTS

10.1 Systems. Franchisee shall use such customer data management, sales data management, administrative, bookkeeping, accounting, and inventory control procedures and systems as We Clean Heat Pumps Franchising CO may specify in the Manual or otherwise in writing.

10.2 Reports.

(a) Financial Reports. Franchisee shall provide such periodic financial reports as We Clean Heat Pumps Franchising CO may require in the Manual or otherwise in writing, including:

(i) a monthly profit and loss statement and balance sheet for the Business within 30 days after the end of each calendar month;

(ii) an annual financial statement (including profit and loss statement, cash flow statement, and balance sheet) for the Business within 90 days after the end of We Clean Heat Pumps Franchising CO's fiscal year; and

(iii) any information We Clean Heat Pumps Franchising CO requests in order to prepare a financial performance representation for We Clean Heat Pumps Franchising CO's franchise disclosure document.

(b) Legal Actions and Investigations. Franchisee shall promptly notify We Clean Heat Pumps Franchising CO of any Action or threatened Action by any customer, governmental authority, or other third party against Franchisee or the Business, or otherwise involving the Franchisee or the Business. Franchisee shall provide such documents and information related to any such Action as We Clean Heat Pumps Franchising CO may request.

(c) Government Inspections. Franchisee shall give We Clean Heat Pumps Franchising CO copies of all inspection reports, warnings, certificates, and ratings issued by any governmental entity with respect to the Business, within three days of Franchisee's receipt thereof.

(d) Other Information. Franchisee shall submit to We Clean Heat Pumps Franchising CO such other financial statements, budgets, forecasts, reports, records, copies of contracts, documents related to litigation, tax returns, copies of governmental permits, and other documents and information related to the Business as specified in the Manual or that We Clean Heat Pumps Franchising CO may reasonably request.

10.3 Initial Investment Report. Within 120 days after opening for business, Franchisee shall submit to We Clean Heat Pumps Franchising CO a report detailing Franchisee's investment costs to develop and open the Business, with costs allocated to the categories described in Item 7 of We Clean Heat Pumps Franchising CO's Franchise Disclosure Document and with such other information as We Clean Heat Pumps Franchising CO may request.

10.4 Business Records. Franchisee shall keep complete and accurate books and records reflecting all expenditures and receipts of the Business, with supporting documents (including, but not limited to, payroll records, payroll tax returns, register receipts, production reports, sales invoices, bank statements, deposit receipts, cancelled checks and paid invoices) for at least three years. Franchisee shall keep such other business records as We Clean Heat Pumps Franchising CO may specify in the Manual or otherwise in writing.

10.5 Records Audit. We Clean Heat Pumps Franchising CO may examine and audit all books and records related to the Business, and supporting documentation, at any reasonable time. We Clean Heat Pumps Franchising CO may conduct the audit at the Location and/or require Franchisee to deliver copies of books, records and supporting documentation to a location designated by We Clean Heat Pumps Franchising CO. Franchisee shall also reimburse We Clean Heat Pumps Franchising CO for all costs and expenses of the examination or audit if (i) We Clean Heat Pumps Franchising CO conducted the audit because Franchisee failed to submit required reports or was otherwise not in compliance with the System, or (ii) the audit reveals that Franchisee understated Gross Sales by 3% or more for any month.

ARTICLE 11. FRANCHISOR RIGHTS

11.1 Manual; Modification. The Manual, and any part of the Manual, may be in any form or media determined by We Clean Heat Pumps Franchising CO. We Clean Heat Pumps Franchising CO may supplement, revise, or modify the Manual, and We Clean Heat Pumps Franchising CO may change, add or delete System Standards at any time in its discretion. We Clean Heat Pumps Franchising CO may inform Franchisee thereof by any method that We Clean Heat Pumps Franchising CO deems appropriate (which need not qualify as "notice" under Section 18.9). In the event of any dispute as to the contents of the Manual, We Clean Heat Pumps Franchising CO's master copy will control.

11.2 Business Evaluation. We Clean Heat Pumps Franchising CO may accompany Franchisee or its personnel on any services performed for a customer to conduct an evaluation. If the Location will be open to the public or used for meeting customers or potential customers, We Clean Heat Pumps Franchising CO may enter the premises of the Business from time to time during normal business hours and conduct an evaluation. Franchisee shall cooperate with We Clean Heat Pumps Franchising CO's evaluators. The evaluation may include, but is not limited to, observing operations, conducting a physical inventory, evaluating physical conditions, monitoring sales activity, speaking with employees and customers, and removing samples of products, supplies and materials. We Clean Heat Pumps Franchising CO may videotape and/or take photographs of the evaluation. We Clean Heat Pumps Franchising CO may set a minimum score requirement for evaluations, and Franchisee's failure to meet or exceed the minimum score will be a default under this Agreement. Without limiting We Clean Heat Pumps Franchising CO's other rights under this Agreement, Franchisee will, as soon as reasonably practical, correct any deficiencies noted during an evaluation. If We Clean Heat Pumps Franchising CO conducts an evaluation because of a governmental report, customer complaint or other customer feedback, or a default or non-compliance with any System Standard by Franchisee (including following up a previous failed evaluation), then We Clean Heat Pumps Franchising CO may charge all out-of-pocket expenses plus its then-current evaluation fee to Franchisee.

11.3 We Clean Heat Pumps Franchising CO's Right to Cure. If Franchisee breaches or defaults under any provision of this Agreement, We Clean Heat Pumps Franchising CO may (but has no obligation to) take any action to cure the default on behalf of Franchisee, without any liability to Franchisee. Franchisee shall reimburse We Clean Heat Pumps Franchising CO for its costs and expenses (including the allocation of any internal costs) for such action, plus 10% as an administrative fee.

11.4 Right to Discontinue Supplies Upon Default. While Franchisee is in default or breach of this Agreement, We Clean Heat Pumps Franchising CO may (i) require that Franchisee pay cash on delivery for products or services supplied by We Clean Heat Pumps Franchising CO, (ii) stop selling or providing any products and services to Franchisee, and/or (iii) request any third-party vendors to not sell or provide products or services to Franchisee. No such action by We Clean Heat Pumps Franchising CO shall be a breach or constructive termination of this Agreement, change in competitive circumstances or similarly characterized, and Franchisee shall not be relieved of any obligations under this Agreement because of any such action. Such rights of We Clean Heat Pumps Franchising CO are in addition to any other right or remedy available to We Clean Heat Pumps Franchising CO.

11.5 Business Data. All customer data and other non-public data generated by the Business is Confidential Information and is exclusively owned by We Clean Heat Pumps Franchising CO. We Clean Heat Pumps Franchising CO hereby licenses such data back to Franchisee without charge solely for Franchisee's use in connection with the Business for the term of this Agreement.

11.6 Innovations. Franchisee shall disclose to We Clean Heat Pumps Franchising CO all ideas, plans, improvements, concepts, methods and techniques relating to the Business (collectively, "Innovations") conceived or developed by Franchisee, its employees, agents or contractors. We Clean Heat Pumps Franchising CO will automatically own all Innovations and it will have the right to use and incorporate any Innovations into the System, without any compensation to Franchisee. Franchisee shall execute any documents reasonably requested by We Clean Heat Pumps Franchising CO to document We Clean Heat Pumps Franchising CO's ownership of Innovations.

11.7 Communication Systems. If We Clean Heat Pumps Franchising CO provides email accounts and/or other communication systems to Franchisee, then Franchisee acknowledges that it has no expectation of privacy in the assigned email accounts and other communications systems, and Franchisee authorizes We Clean Heat Pumps Franchising CO to access such communications.

11.8 Delegation. We Clean Heat Pumps Franchising CO may delegate any duty or obligation of We Clean Heat Pumps Franchising CO under this Agreement to an affiliate or to a third party.

11.9 System Variations. We Clean Heat Pumps Franchising CO may vary or waive any System Standard for any one or more We Clean Heat Pumps franchises due to the peculiarities of the particular site or circumstances, density of population, business potential, population of trade area, existing business practices, applicable laws or regulations, or any other condition relevant to the performance of a franchise or group of franchises. Franchisee is not entitled to the same variation or waiver.

11.10 Temporary Public Safety Closure. If We Clean Heat Pumps Franchising CO discovers or becomes aware of any aspect of the Business which, in We Clean Heat Pumps Franchising CO's opinion, constitutes an imminent danger to the health or safety of any person, then immediately upon We Clean Heat Pumps Franchising CO's order, Franchisee must temporarily cease operations of the Business and remedy the dangerous condition. We Clean Heat Pumps Franchising CO shall have no liability to Franchisee or any other person for action or failure to act with respect to a dangerous condition.

ARTICLE 12. MARKS

12.1 Authorized Marks. Franchisee shall use no trademarks, service marks or logos in connection with the Business other than the Marks. Franchisee shall use all Marks specified by We Clean Heat Pumps Franchising CO, and only in the manner as We Clean Heat Pumps Franchising CO may require. Franchisee has no rights in the Marks other than the right to use them in the operation of the Business in compliance with this Agreement. All use of the Marks by Franchisee and any goodwill associated with the Marks, including any goodwill arising due to Franchisee's operation of the Business, will inure to the exclusive benefit of We Clean Heat Pumps Franchising CO.

12.2 Change of Marks. We Clean Heat Pumps Franchising CO may add, modify, or discontinue any Marks to be used under the System. Within a reasonable time after We Clean Heat Pumps Franchising CO makes any such change, Franchisee must comply with the change, at Franchisee's expense.

12.3 Infringement.

(a) Defense of Franchisee. If Franchisee has used the Marks in accordance with this Agreement, then (i) We Clean Heat Pumps Franchising CO shall defend Franchisee (at We Clean Heat Pumps Franchising CO's expense) against any Action by a third party alleging infringement by Franchisee's use of a Mark, and (ii) We Clean Heat Pumps Franchising CO will indemnify Franchisee for expenses and damages if the Action is resolved unfavorably to Franchisee.

(b) Infringement by Third Party. Franchisee shall promptly notify We Clean Heat Pumps Franchising CO if Franchisee becomes aware of any possible infringement of a Mark by a third party. We Clean Heat Pumps Franchising CO may, in its sole discretion, commence or join any claim against the infringing party.

(c) Control. We Clean Heat Pumps Franchising CO shall have the exclusive right to control any prosecution or defense of any Action related to possible infringement of or by the Marks.

12.4 Name. If Franchisee is an entity, it shall not use the words "We Clean Heat Pumps" or any confusingly similar words in its legal name.

ARTICLE 13. COVENANTS

13.1 Confidential Information. With respect to all Confidential Information, Franchisee shall (a) adhere to all procedures prescribed by We Clean Heat Pumps Franchising CO for maintaining confidentiality, (b) disclose such information to its employees only to the extent necessary for the operation of the Business; (c) not use any such information in any other business or in any manner not specifically authorized in writing by We Clean Heat Pumps Franchising CO, (d) exercise the highest degree of diligence and effort to maintain the confidentiality of all such information during and after the term of this Agreement, (e) not copy or otherwise reproduce any Confidential Information, and (f) promptly report any unauthorized disclosure or use of Confidential Information. Franchisee acknowledges that all Confidential Information is owned by We Clean Heat Pumps Franchising CO (except for Confidential Information which We Clean Heat Pumps Franchising CO licenses from another person or entity). This Section will survive the termination or expiration of this Agreement indefinitely.

13.2 Covenants Not to Compete.

(a) Restriction – In Term. During the term of this Agreement, neither Franchisee, any Owner, nor any spouse of an Owner (the "Restricted Parties") shall, directly or indirectly, in the United States, offer HVAC cleaning and maintenance ("Competitive Services"), except as a franchisee of ours.

(b) Restriction – Post Term. For two years after this Agreement expires or is terminated for any reason (or, if applicable, for two years after a Transfer), no Restricted Party shall, directly or indirectly, offer Competitive Services in any of Franchisee's former Territory or the territory of any other We Clean Heat Pumps business operating on the date of termination or transfer, as applicable.

(c) Interpretation. The parties agree that each of the foregoing covenants is independent of any other covenant or provision of this Agreement. If all or any portion of the covenants in this Section is held to be unenforceable or unreasonable by any court or arbitrator, then the parties intend that the court or arbitrator modify such restriction to the extent reasonably necessary to protect the legitimate business interests of We Clean Heat Pumps Franchising CO. Franchisee agrees that the existence of any claim it may have against We Clean Heat Pumps Franchising CO shall not constitute a defense to the enforcement by We Clean Heat Pumps Franchising CO of the covenants of this Section. If a Restricted Party fails to comply with the obligations under this Section during the restrictive period, then the restrictive period will be extended an additional day for each day of noncompliance.

13.3 General Manager and Key Employees. If requested by We Clean Heat Pumps Franchising CO, Franchisee will cause its general manager and other key employees to sign We Clean Heat Pumps Franchising CO's then-current form of confidentiality and non-compete agreement (unless prohibited by applicable law).

ARTICLE 14. DEFAULT AND TERMINATION

14.1 Termination by Franchisee. Franchisee may terminate this Agreement only if We Clean Heat Pumps Franchising CO violates a material provision of this Agreement and fails to cure or to make substantial progress toward curing the violation within 30 days after receiving written notice from Franchisee detailing the alleged default. Termination by Franchisee is effective 10 days after We Clean Heat Pumps Franchising CO receives written notice of termination.

14.2 Termination by We Clean Heat Pumps Franchising CO.

(a) Subject to 10-Day Cure Period. We Clean Heat Pumps Franchising CO may terminate this Agreement if Franchisee does not make any payment to We Clean Heat Pumps Franchising CO when due, or if Franchisee does not have sufficient funds in its account when We Clean Heat Pumps Franchising CO attempts an electronic funds withdrawal, and Franchisee fails to cure such non-payment within 10 days after We Clean Heat Pumps Franchising CO gives notice to Franchisee of such breach.

(b) Subject to 30-Day Cure Period. If Franchisee breaches this Agreement in any manner not described in subsection (a) or (c), and Franchisee fails to cure such breach to We Clean Heat Pumps Franchising CO's satisfaction within 30 days after We Clean Heat Pumps Franchising CO gives notice to Franchisee of such breach, then We Clean Heat Pumps Franchising CO may terminate this Agreement.

(c) Without Cure Period. We Clean Heat Pumps Franchising CO may terminate this Agreement by giving notice to Franchisee, without opportunity to cure, if any of the following occur:

(i) Franchisee misrepresented or omitted material facts when applying to be a franchisee, or breaches any representation in this Agreement;

(ii) Franchisee knowingly submits any false report or knowingly provides any other false information to We Clean Heat Pumps Franchising CO;

(iii) Franchisee becomes insolvent, meaning unable to pay bills in the ordinary course of business as they become due;

(iv) Franchisee fails to open for business by the date specified on the Summary Page;

(v) Franchisee or any Owner commits a material violation of Section 7.2 (compliance with laws) or Section 13.1 (confidentiality), violates Section 13.2 (non-compete) or Article 15 (transfer), or commits any other violation of this Agreement which by its nature cannot be cured;

(vi) Franchisee abandons or ceases operation of the Business for more than 15 consecutive days;

(vii) Franchisee or any Owner slanders or libels We Clean Heat Pumps Franchising CO or any of its employees, directors, or officers;

(viii) Franchisee refuses to cooperate with or permit any audit or evaluation by We Clean Heat Pumps Franchising CO or its agents or contractors, or otherwise fails to comply with Section 10.5 or Section 11.2.

(ix) the Business is operated in a manner which, in We Clean Heat Pumps Franchising CO's reasonable judgment, constitutes a significant danger to the health or safety of any person, and Franchisee fails to cure such danger within 48 hours after becoming aware of the danger (due to notice from We Clean Heat Pumps Franchising CO or otherwise);

(x) Franchisee has received two or more notices of default and Franchisee commits another breach of this Agreement, all in the same 12-month period;

(xi) We Clean Heat Pumps Franchising CO (or any affiliate) terminates any other agreement with Franchisee (or any affiliate) due to the breach of such other agreement by Franchisee (or its affiliate);

(xii) Franchisee or any Owner is charged with, pleads guilty or no-contest to, or is convicted of a felony; or

(xiii) Franchisee or any Owner is accused by any governmental authority or third party of any act, or if Franchisee or any Owner commits any act or series of acts, that in We Clean Heat Pumps Franchising CO's opinion is reasonably likely to materially and unfavorably affect the We Clean Heat Pumps brand.

14.3 Effect of Termination. Upon termination or expiration of this Agreement, all obligations that by their terms or by reasonable implication survive termination, including those pertaining to non-competition, confidentiality, indemnity, and dispute resolution, will remain in effect, and Franchisee must immediately:

(i) pay all amounts owed to We Clean Heat Pumps Franchising CO based on the operation of the Business through the effective date of termination or expiration;

(ii) return to We Clean Heat Pumps Franchising CO all copies of the Manual, Confidential Information and any and all other materials provided by We Clean Heat Pumps Franchising CO to Franchisee or created by a third party for Franchisee relating to the operation of the Business, and all items containing any Marks, copyrights, and other proprietary items; and delete all Confidential Information and proprietary materials from electronic devices;

(iii) notify the telephone, internet, email, electronic network, directory, and listing entities of the termination or expiration of Franchisee's right to use any numbers, addresses, domain names, locators, directories and listings associated with any of the Marks, and authorize their transfer to We Clean Heat Pumps Franchising CO or any new franchisee as may be directed by We Clean Heat Pumps Franchising CO, and Franchisee hereby irrevocably appoints We Clean Heat Pumps Franchising CO, with full power of substitution, as its true and lawful attorney-in-fact, which appointment is coupled with an interest; to execute such directions and authorizations as may be necessary or appropriate to accomplish the foregoing; and

(iv) cease doing business under any of the Marks.

14.4 Remove Identification. If Franchisee operates from a Location other than Franchisee's home, then within 30 days after termination or expiration, Franchisee shall at its own expense "de-identify" the Location so that it no longer contains the Marks, signage, or any trade dress of a We Clean Heat Pumps business, to the reasonable satisfaction of We Clean Heat Pumps Franchising CO. Franchisee shall comply with any reasonable instructions and procedures of We Clean Heat Pumps Franchising CO for de-identification. If Franchisee fails to do so within 30 days after this Agreement expires or is terminated, We Clean Heat Pumps Franchising CO may enter the Location to remove the Marks and de-identify the Location. In this event, We Clean Heat Pumps Franchising CO will not be charged with trespass nor be accountable or required to pay for any assets removed or altered, or for any damage caused by We Clean Heat Pumps Franchising CO.

14.5 Liquidated Damages. If We Clean Heat Pumps Franchising CO terminates this Agreement based upon Franchisee's default (or if Franchisee purports to terminate this Agreement except as permitted under Section 14.1), then within 10 days thereafter Franchisee shall pay to We Clean Heat Pumps Franchising CO a lump sum (as liquidated damages and not as a penalty) calculated as follows: (x) the average Royalty Fees and Marketing Fund Contributions that Franchisee owed to We Clean Heat Pumps Franchising CO under this Agreement for the 12-month period preceding the date on which Franchisee ceased operating the Business; multiplied by (y) the lesser of (1) 24 or (2) the number of months remaining in the then-current term of this Agreement. If Franchisee had not operated the Business for at least 12 months, then (x) will equal the average Royalty Fees and Marketing Fund Contributions that Franchisee owed to We Clean Heat Pumps Franchising CO during the period that Franchisee operated the Business. The "average Royalty Fees and Marketing Fund Contributions that Franchisee owed to We Clean Heat Pumps Franchising CO" shall not be discounted or adjusted due to any deferred or reduced Royalty Fees and Marketing Fund Contributions set forth in an addendum to this Agreement, unless this Section 14.5 is specifically amended in such addendum. Franchisee acknowledges that a precise calculation of the full extent of We Clean Heat Pumps Franchising CO's damages under these circumstances is difficult to determine and the method of calculation of such damages as set forth in this Section is reasonable. Franchisee's payment to We Clean Heat Pumps Franchising CO under this Section will be in lieu of any direct monetary damages that We Clean Heat Pumps Franchising CO may incur as a result of We Clean Heat Pumps Franchising CO's loss of Royalty Fees and Marketing Fund Contributions that would have been owed to We Clean Heat Pumps Franchising CO after the date of termination; however, such payment shall be in addition to all damages and other amounts arising under Section 14.3 and Section 14.4, We Clean Heat Pumps Franchising CO's right to injunctive relief for enforcement of Article 13, and any attorneys' fees and other costs and expenses to which We Clean Heat Pumps Franchising CO is entitled under this Agreement. Except as provided in this Section, Franchisee's payment of this lump sum shall be in addition to any other right or remedy that We Clean Heat Pumps Franchising CO may have under this Agreement or otherwise.

14.6 Purchase Option. When this Agreement expires or is terminated, We Clean Heat Pumps Franchising CO will have the right (but not the obligation) to purchase any or all of the assets related to the Business. To exercise this option, We Clean Heat Pumps Franchising CO must notify Franchisee no later than 30 days after this Agreement expires or is terminated. The purchase price for all assets that We Clean Heat Pumps Franchising CO elects to purchase will be the lower of (i) the book value of such assets as declared on Franchisee's last filed tax returns or (ii) the fair market value of the assets. If the parties cannot agree on fair market value within 30 days after the exercise notice, the fair market value will be determined by an independent appraiser reasonably acceptable to both parties. The parties will equally share the cost of the appraisal. We Clean Heat Pumps Franchising CO's purchase will be of assets only (free and clear of all liens), and the purchase will not include any liabilities of Franchisee. The purchase price for assets will not include any factor or increment for any trademark or other commercial symbol used in the business, the value of any intangible assets, or any goodwill or "going concern" value for the Business. We Clean Heat Pumps Franchising CO may withdraw its exercise of the purchase option at any time before it pays for the assets. Franchisee will sign a bill of sale for the purchased assets and any other transfer documents reasonably requested by We Clean Heat Pumps Franchising CO. If We Clean Heat Pumps Franchising CO exercises the purchase option, We Clean Heat Pumps Franchising CO may deduct from the purchase price: (a) all amounts due from Franchisee; (b) Franchisee's portion of the cost of any appraisal conducted hereunder; and (c) amounts which We Clean Heat Pumps Franchising CO paid or will pay to third parties to satisfy indebtedness owed by Franchisee to third parties. If any of the assets are subject to a lien, We Clean Heat Pumps Franchising CO may pay a portion of the purchase price directly to the lienholder to pay off such lien. We Clean Heat Pumps Franchising CO may withhold 25% of the purchase price for 90 days to ensure that all of Franchisee's taxes and other liabilities are paid. We Clean Heat Pumps Franchising CO may assign this purchase option to another party.

ARTICLE 15. TRANSFERS

15.1 By We Clean Heat Pumps Franchising CO. We Clean Heat Pumps Franchising CO may transfer or assign this Agreement, or any of its rights or obligations under this Agreement, to any person or entity, and We Clean Heat Pumps Franchising CO may undergo a change in ownership and/or control, without the consent of Franchisee.

15.2 By Franchisee. Franchisee acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee and that We Clean Heat Pumps Franchising CO entered into this Agreement in reliance on Franchisee's business skill, financial capacity, personal character, experience, and business ability. Accordingly, Franchisee shall not conduct or undergo a Transfer without providing We Clean Heat Pumps Franchising CO at least 60 days prior notice of the proposed Transfer, and without obtaining We Clean Heat Pumps Franchising CO's consent. In granting any such consent, We Clean Heat Pumps Franchising CO may impose conditions, including, without limitation, the following:

(i) We Clean Heat Pumps Franchising CO receives a transfer fee equal to $10,000 plus any broker fees and other out-of-pocket costs incurred by We Clean Heat Pumps Franchising CO;

(ii) the proposed assignee and its owners have completed We Clean Heat Pumps Franchising CO's franchise application processes, meet We Clean Heat Pumps

Franchising CO's then-applicable standards for new franchisees, and have been approved by We Clean Heat Pumps Franchising CO as franchisees;

(iii) the proposed assignee is not a Competitor;

(iv) the proposed assignee executes We Clean Heat Pumps Franchising CO's then-current form of franchise agreement and any related documents, which form may contain materially different provisions than this Agreement (provided, however, that the proposed assignee will not be required to pay an initial franchise fee);

(v) all owners of the proposed assignee provide a guaranty in accordance with Section 2.5;

(vi) Franchisee has paid all monetary obligations to We Clean Heat Pumps Franchising CO and its affiliates, and to any lessor, vendor, supplier, or lender to the Business, and Franchisee is not otherwise in default or breach of this Agreement or of any other obligation owed to We Clean Heat Pumps Franchising CO or its affiliates;

(vii) the proposed assignee and its owners and employees undergo such training as We Clean Heat Pumps Franchising CO may require;

(viii) Franchisee, its Owners, and the transferee and its owners execute a general release of We Clean Heat Pumps Franchising CO in a form satisfactory to We Clean Heat Pumps Franchising CO; and

(ix) the Business fully complies with all of We Clean Heat Pumps Franchising CO's most recent System Standards.

15.3 Transfer for Convenience of Ownership. If Franchisee is an individual, Franchisee may Transfer this Agreement to a corporation or limited liability company formed for the convenience of ownership after at least 15 days' notice to We Clean Heat Pumps Franchising CO, if, prior to the Transfer: (1) the transferee provides the information required by Section 2.3; (2) Franchisee provides copies of the entity's charter documents, by-laws (or operating agreement) and similar documents, if requested by We Clean Heat Pumps Franchising CO, (3) Franchisee owns all voting securities of the corporation or limited liability company, and (4) Franchisee provides a guaranty in accordance with Section 2.5.

15.4 Transfer upon Death or Incapacity. Upon the death or incapacity of Franchisee (or, if Franchisee is an entity, the Owner with the largest ownership interest in Franchisee), the executor, administrator, or personal representative of that person must Transfer the Business to a third party approved by We Clean Heat Pumps Franchising CO (or to another person who was an Owner at the time of death or incapacity of the largest Owner) within nine months after death or incapacity. Such transfer must comply with Section 15.2.

15.5 We Clean Heat Pumps Franchising CO's Right of First Refusal. Before Franchisee (or any Owner) engages in a Transfer (except under Section 15.3, or to a co-Owner, or to a spouse, sibling, or child of an Owner), We Clean Heat Pumps Franchising CO will have a right of first refusal, as set forth in this Section. Franchisee (or its Owners) shall provide to We Clean Heat

Pumps Franchising CO a copy of the terms and conditions of any Transfer. For a period of 30 days from the date of We Clean Heat Pumps Franchising CO's receipt of such copy, We Clean Heat Pumps Franchising CO will have the right, exercisable by notice to Franchisee, to purchase the assets subject of the proposed Transfer for the same price and on the same terms and conditions (except that We Clean Heat Pumps Franchising CO may substitute cash for any other form of payment). If We Clean Heat Pumps Franchising CO does not exercise its right of first refusal, Franchisee may proceed with the Transfer, subject to the other terms and conditions of this Article.

15.6 No Sublicense. Franchisee has no right to sublicense the Marks or any of Franchisee's rights under this Agreement.

15.7 No Lien on Agreement. Franchisee shall not grant a security interest in this Agreement to any person or entity. If Franchisee grants an "all assets" security interest to any lender or other secured party, Franchisee shall cause the secured party to expressly exempt this Agreement from the security interest.

ARTICLE 16. INDEMNITY

16.1 Indemnity. Franchisee shall indemnify and defend (with counsel reasonably acceptable to We Clean Heat Pumps Franchising CO) We Clean Heat Pumps Franchising CO, its parent entities, subsidiaries and affiliates, and their respective owners, directors, officers, employees, agents, successors and assignees (collectively, "Indemnitees") against all Losses in any Action by or against We Clean Heat Pumps Franchising CO and/or any Indemnitee directly or indirectly related to, or alleged to arise out of, the operation of the Business. Notwithstanding the foregoing, Franchisee shall not be obligated to indemnify an Indemnitee from Actions arising as a result of any Indemnitee's intentional misconduct or negligence. Any delay or failure by an Indemnitee to notify Franchisee of an Action shall not relieve Franchisee of its indemnity obligation except to the extent (if any) that such delay or failure materially prejudices Franchisee. Franchisee shall not settle an Action without the consent of the Indemnitee. This indemnity will continue in effect after this Agreement ends.

16.2 Assumption. An Indemnitee may elect to assume the defense of any Action subject to this indemnification and control all aspects of defending the Action (including negotiations and settlement), at Franchisee's expense. Such an undertaking shall not diminish Franchisee's obligation to indemnify the Indemnitees.

ARTICLE 17. DISPUTE RESOLUTION

17.1 Choice of Law.

Except as to claims governed by federal law, Vermont law governs all claims that in any way relate to or arise out of this Agreement or any of the dealings of the parties ("Claims"). However, no laws regulating the sale of franchises or governing the relationship between franchisor and franchisee shall apply unless the jurisdictional requirements of such laws are met independently of this paragraph.

17.2 Jurisdiction and Venue

You and we agree that venue and jurisdiction for any Claims, except those required to be submitted to arbitration, shall be proper solely in the state and federal court nearest to our corporate headquarters, presently located in Brattleboro, Vermont.

17.3 Jury Waiver

In any trial between any of the parties as to any Claims, you and we agree to waive our rights to a jury trial and instead have such action tried by a judge.

17.4 Class Action Waiver

You agree to bring any Claims, if at all, individually and you shall not join such claim with claims of any other person or entity or bring, join or participate in a class action against us.

17.5 Limitation of Damages

Franchisee and Franchisor each waive, to the fullest extent permitted by law, any right or claim for any punitive or exemplary damages against the other and agree that if there is a dispute with the other, each will be limited to the recovery of actual damages sustained by it including reasonable accounting and legal fees as provided in Section 17.4. Franchisee waives and disclaims any right to consequential damages in any action or claim against Franchisor concerning this Agreement or any related agreement. In any claim or action brought by Franchisee against Franchisor concerning this Agreement, Franchisee's contract damages shall not exceed and shall be limited to refund of Franchisee's Franchise Fee and Royalty Fees.

17.6 Limitation of Actions

You agree to bring any Claims against us, if at all, within one (1) year of the occurrence of the facts giving rise to such Claims, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set-off.

17.7 Prior Notice Of Claims

As a condition precedent to commencing an action for a Claim, you must notify us within thirty (30) days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages.

17.8 Internal Dispute Resolution

You must first bring any Claim to our CEO, after providing notice as in Section 17.7 above. You must exhaust this internal dispute resolution procedure before you may bring your Claim before a third party.

17.9 Mediation and Arbitration

Before you may bring any Claim against us, you agree to try for a period of 60 days to mediate such claim before a mutually agreed to mediator in the city or county where our headquarters are located. If we cannot mutually agree on a mediator, you and we agree to use the mediation services of the American Arbitration Association ("AAA"), and split any AAA and mediator fees equally.

If mediation is unsuccessful and you decide to pursue a legal claim against us, you agree to bring such claim solely in binding arbitration conducted in the city or county where our headquarters is located, in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect. The proceedings will be held by a single arbitrator. The decision of the arbitrator will be final and binding upon the parties. Judgment upon the award rendered by the arbitrator may be entered in any court having personal and subject matter jurisdiction.

17.10 Waiver Of Bond

You agree that if we are forced to bring suit to enforce any provision of this Agreement, you agree to waive any requirement that we post bond to obtain a temporary, preliminary, or permanent injunction to enforce these duties.

17.11 Attorney Fees

If we are the substantially prevailing party as to any Claims, you agree to reimburse our costs and attorney fees incurred in pursuing or defending the Claims.

17.12 Third Party Beneficiaries

Our officers, directors, members, shareholders, agents, and employees are express third-party beneficiaries of the terms of the Dispute Resolution provisions contained herein.

ARTICLE 18. MISCELLANEOUS

18.1 Relationship of the Parties. The parties are independent contractors, and neither is the agent, partner, joint venturer, or employee of the other. We Clean Heat Pumps Franchising CO is not a fiduciary of Franchisee. We Clean Heat Pumps Franchising CO does not control or have the right to control Franchisee or its Business. Any required specifications and standards in this Agreement and in the System Standards exist to protect We Clean Heat Pumps Franchising CO's interest in the System and the Marks, and the goodwill established in them, and not for the purpose of establishing any control, or duty to take control, over the Business. We Clean Heat Pumps Franchising CO has no liability for Franchisee's obligations to any third party whatsoever.

18.2 No Third-Party Beneficiaries. This Agreement does not confer any rights or remedies upon any person or entity other than Franchisee, We Clean Heat Pumps Franchising CO, and We Clean Heat Pumps Franchising CO's affiliates.

18.3 Entire Agreement. This Agreement constitutes the entire agreement of the parties and supersedes all prior negotiations and representations. Nothing in this Agreement or in any related agreement is intended to disclaim the representations made by We Clean Heat Pumps Franchising CO in its franchise disclosure document.

18.4 Modification. No modification or amendment of this Agreement will be effective unless it is in writing and signed by both parties. This provision does not limit We Clean Heat Pumps Franchising CO's rights to modify the Manual or System Standards.

18.5 Consent; Waiver. No consent under this Agreement, and no waiver of satisfaction of a condition or nonperformance of an obligation under this Agreement will be effective unless it is in writing and signed by the party granting the consent or waiver. No waiver by a party of any right will affect the party's rights as to any subsequent exercise of that right or any other right. No delay, forbearance or omission by a party to exercise any right will constitute a waiver of such right.

18.6 Cumulative Remedies. Rights and remedies under this Agreement are cumulative. No enforcement of a right or remedy precludes the enforcement of any other right or remedy.

18.7 Severability. The parties intend that (i) if any provision of this Agreement is held by an arbitrator or court to be unenforceable, then that provision be modified to the minimum extent necessary to make it enforceable, unless that modification is not permitted by law, in which case that provision will be disregarded, and (ii) if an unenforceable provision is modified or disregarded, then the rest of this Agreement will remain in effect as written.

18.8 Notices. Any notice will be effective under this Agreement only if made in writing and delivered as set forth in this Section to: (A) if to Franchisee, addressed to Franchisee at the notice address set forth in the Summary Page; and (B) if to We Clean Heat Pumps Franchising CO, addressed to 139 Main St Box 31, Brattleboro, VT 05301. Any party may designate a new address for notices by giving notice of the new address pursuant to this Section. Notices will be effective upon receipt (or first rejection) and must be: (1) delivered personally; (2) sent by registered or certified U.S. mail with return receipt requested; or (3) sent via overnight courier. Notwithstanding the foregoing, We Clean Heat Pumps Franchising CO may amend the Manual, give binding notice of changes to System Standards, and deliver notices of default by electronic mail or other electronic communication.

18.9 Holdover. If Franchisee continues operating the Business after the expiration of the term without a renewal agreement or successor franchise agreement executed by the parties in accordance with Section 3.2, then at any time thereafter (regardless of any course of dealing by the parties), We Clean Heat Pumps Franchising CO may by giving written notice to Franchisee (the "Holdover Notice") either (i) require Franchisee to cease operating the Business and comply with all post-closing obligations effective immediately upon giving notice or effective on such other date as We Clean Heat Pumps Franchising CO specifies, or (ii) bind Franchisee to a renewal term of 5 years, and deem Franchisee and its Owners to have made the general release of liability described in Section 3.2(vi).

18.10 Joint and Several Liability. If two or more people sign this Agreement as "Franchisee", each will have joint and several liability.

18.11 No Offer and Acceptance. Delivery of a draft of this Agreement to Franchisee by We Clean Heat Pumps Franchising CO does not constitute an offer. This Agreement shall not be effective unless and until it is executed by both Franchisee and We Clean Heat Pumps Franchising CO.

ARTICLE 19. CERTIFICATION OF FRANCHISOR'S COMPLIANCE

By signing this Agreement, Franchisee acknowledges the following:

(1) Franchisee understands all the information in We Clean Heat Pumps Franchising CO's Disclosure Document.

(2) Franchisee understands the success or failure of the Business will depend in large part upon Franchisee's skills, abilities and efforts and those of the persons Franchisee employs, as well as many factors beyond Franchisee's control such as weather, competition, interest rates, the economy, inflation, labor and supply costs, and the marketplace.

(3) That no person acting on We Clean Heat Pumps Franchising CO's behalf made any statement or promise regarding the costs involved in operating a We Clean Heat Pumps franchise that is not in the Disclosure Document or that is contrary to, or different from, the information in the Disclosure Document.

(4) That no person acting on We Clean Heat Pumps Franchising CO's behalf made any claim or representation to Franchisee, orally, visually, or in writing, that contradicted the information in the Disclosure Document.

(5) That no person acting on We Clean Heat Pumps Franchising CO's behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money Franchisee may earn, or the total amount of revenue a We Clean Heat Pumps franchise will generate, that is not in the Disclosure Document or that is contrary to, or different from, the information in the Disclosure Document.

(6) That no person acting on We Clean Heat Pumps Franchising CO's behalf made any statement or promise or agreement, other than those matters addressed in this Agreement, concerning advertising, marketing, media support, market penetration, training, support service, or assistance that is contrary to, or different from, the information contained in the Disclosure Document.

(7) Franchisee understands that this Agreement contains the entire agreement between We Clean Heat Pumps Franchising CO and Franchisee concerning the We Clean Heat Pumps franchise, which means that any oral or written statements not set out in this Agreement will not be binding. In deciding to enter into this Agreement, Franchisee is not relying on any statement, promise, claim, or representation not expressly set forth in this Agreement or in the Disclosure Document.

[*Signatures on next page*]

Agreed to by:

FRANCHISEE:

By:___________________________

By:___________________________

FRANCHISOR:
We Clean Heat Pumps Franchising CO,. LLC

By:___________________________
Gabriel Erde Cohen, CEO

Date:__________________________

Attachment 1 to Franchise Agreement

OWNERSHIP INFORMATION

1. **Form of Ownership.** Franchisee is a (check one):

_____________ *Sole Proprietorship*
_____________ *Partnership*
_____________ *Limited Liability Company*
_____________ *Corporation*

State: __________________________

2. **Owners.** If Franchisee is a partnership, limited liability company or corporation:

Name	Shares or Percentage of Ownership

3. **Officers.** If Franchisee is a limited liability company or corporation:

Name	Title

<u>**Attachment 2 to Franchise Agreement**</u>

GUARANTY AND NON-COMPETE AGREEMENT

This Guaranty and Non-Compete Agreement (this "<u>Guaranty</u>") is executed by the undersigned person(s) (each, a "<u>Guarantor</u>") in favor of We Clean Heat Pumps Franchising CO, LLC, a Wyoming Limited Liability Company ("<u>We Clean Heat Pumps Franchising CO</u>").

Background Statement: ______________________ ("<u>Franchisee</u>") desires to enter into a Franchise Agreement with We Clean Heat Pumps Franchising CO for the franchise of a We Clean Heat Pumps business (the "<u>Franchise Agreement</u>"; capitalized terms used but not defined in this Guaranty have the meanings given in the Franchise Agreement). Guarantor owns an equity interest in Franchisee. Guarantor is executing this Guaranty in order to induce We Clean Heat Pumps Franchising CO to enter into the Franchise Agreement.

Guarantor agrees as follows:

1. Guaranty. Guarantor hereby unconditionally guarantees to We Clean Heat Pumps Franchising CO and its successors and assigns that Franchisee shall pay and perform every undertaking, agreement and covenant set forth in the Franchise Agreement and further guarantees every other liability and obligation of Franchisee to We Clean Heat Pumps Franchising CO, whether or not contained in the Franchise Agreement. Guarantor shall render any payment or performance required under the Franchise Agreement or any other agreement between Franchisee and We Clean Heat Pumps Franchising CO upon demand from We Clean Heat Pumps Franchising CO. Guarantor waives (a) acceptance and notice of acceptance by We Clean Heat Pumps Franchising CO of this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations of Franchisee; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (d) any right Guarantor may have to require that an action be brought against Franchisee or any other person or entity as a condition of liability hereunder; (e) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the execution of and performance under this Guaranty by the undersigned; (f) any law which requires that We Clean Heat Pumps Franchising CO make demand upon, assert claims against or collect from Franchisee or any other person or entity (including any other guarantor), foreclose any security interest, sell collateral, exhaust any remedies or take any other action against Franchisee or any other person or entity (including any other guarantor) prior to making any demand upon, collecting from or taking any action against the undersigned with respect to this Guaranty; and (g) any and all other notices and legal or equitable defenses to which Guarantor may be entitled.

2. Confidential Information. With respect to all Confidential Information Guarantor shall (a) adhere to all security procedures prescribed by We Clean Heat Pumps Franchising CO for maintaining confidentiality, (b) disclose such information to its employees only to the extent necessary for the operation of the Business; (c) not use any such information in any other business or in any manner not specifically authorized or approved in writing by We Clean Heat Pumps Franchising CO, (d) exercise the highest degree of diligence and make every effort to maintain the confidentiality of all such information during and after the term of the Franchise Agreement, (e) not copy or otherwise reproduce any Confidential Information, and (f) promptly report any unauthorized disclosure or use of Confidential Information. Guarantor acknowledges that all Confidential Information is owned by We Clean Heat Pumps Franchising CO or its affiliates (except for Confidential Information which We Clean Heat Pumps Franchising CO licenses from another person or entity). Guarantor acknowledges that all customer data generated or obtained by Guarantor is Confidential Information belonging to We Clean Heat Pumps Franchising CO. This Section will survive the termination or expiration of the Franchise Agreement indefinitely.

3. Covenants Not to Compete.

(a) Restriction - In Term. During the term of the Franchise Agreement, Guarantor shall not directly or indirectly have any ownership interest in, lend money or provide financial assistance to, provide any services to, or be employed by, any Competitor.

(b) Restriction – Post Term. For two years after the Franchise Agreement expires or is terminated for any reason (or, if applicable, for two years after a Transfer by Guarantor), Guarantor shall not directly or indirectly have any ownership interest in, lend money or provide financial assistance to, provide any services to, or be employed by, any Competitor operating in any of Franchisee's Territory or the territory of any other We Clean Heat Pumps business operating on the date of termination or transfer, as applicable.

(c) Interpretation. Guarantor agrees that each of the foregoing covenants is independent of any other covenant or provision of this Guaranty or the Franchise Agreement. If all or any portion of the covenants in this Section is held to be unenforceable or unreasonable by any court or arbitrator, then the parties intend that the court or arbitrator modify such restriction to the extent reasonably necessary to protect the legitimate business interests of We Clean Heat Pumps Franchising CO. Guarantor agrees that the existence of any claim it or Franchisee may have against We Clean Heat Pumps Franchising CO shall not constitute a defense to the enforcement by We Clean Heat Pumps Franchising CO of the covenants of this Section. If Guarantor fails to comply with the obligations under this Section during the restrictive period, then the restrictive period will be extended an additional day for each day of noncompliance.

4. Modification. Guarantor agrees that Guarantor's liability hereunder shall not be diminished, relieved or otherwise affected by (a) any amendment of the Franchise Agreement, (b) any extension of time, credit or other indulgence which We Clean Heat Pumps Franchising CO may from time to time grant to Franchisee or to any other person or entity, or (c) the acceptance of any partial payment or performance or the compromise or release of any claims.

5. Governing Law; Dispute Resolution. This Guaranty shall be governed by and construed in accordance with the laws of the state of Vermont (without giving effect to its principles of conflicts of law). The parties agree that any Vermont law for the protection of franchisees or business opportunity purchasers will not apply unless its jurisdictional requirements are met independently without reference to this Section 6. The provisions of Article 17 (Dispute Resolution) of the Franchise Agreement apply to and are incorporated into this Guaranty as if fully set forth herein. Guarantor shall pay to We Clean Heat Pumps Franchising CO all costs incurred by We Clean Heat Pumps Franchising CO (including reasonable attorney fees) in enforcing this Guaranty. If multiple Guarantors sign this Guaranty, each will have joint and several liability.

Agreed to by:

FRANCHISEE:

By:___________________________

By:___________________________

FRANCHISOR:
We Clean Heat Pumps Franchising CO,. LLC

By:___________________________
Gabriel Erde Cohen, CEO

Date:__________________________

Attachment 3 to Franchise Agreement

FRANCHISE ROYALTY REPAYMENT AGREEMENT

FRANCHISE ROYALTY REPAYMENT AGREEMENT

This Franchise Royalty Repayment Agreement (**"Agreement"**) is made and entered into as of _______________ (**"Effective Date"**), by and between **We Clean Heat Pumps Franchising CO, LLC**, a Vermont corporation with its principal place of business at **39 Main St., Suite 615, Brattleboro, VT 05301** (**"Franchisor"**), and ____ (**"Franchisee"**).

1. Purpose

The purpose of this Agreement is to establish the terms under which the Franchisee will repay
The following amount of _________________________________ **franchise fee** through an additional royalty payment based on revenue earned under the We Clean Heat Pumps franchise in New Jersey.

2. Repayment Through Additional Royalty

2.1. Royalty Structure

Franchisee agrees to pay the following royalties to Franchisor:

- **6% standard royalty** on all Gross Sales.
- **2% required marketing contribution** on all Gross Sales.
- **An additional 7% royalty** on all Gross Sales until the full franchise fee repayment is satisfied.

2.2. Total Payment Obligation

The additional **7% royalty** shall remain in effect until the Franchisor has received a total of **$__________________________**. Once this amount has been repaid in full, only the **6% standard royalty** and **2% marketing contribution** shall continue as outlined in the Franchise Agreement.

3. Reporting & Payment Terms

3.1. Revenue Reporting

Franchisee shall report Gross Sales **on a monthly basis** in accordance with the standard terms of the Franchise Agreement.

3.2. Payment Schedule

Franchisee shall submit payments for all royalties, including the additional **7% repayment royalty**, no later than the **15th day of each month**, based on the prior month's Gross Sales.

4. Termination of Additional Royalty Obligation

4.1. Completion of Repayment

The obligation to pay the **additional 7% royalty** shall cease once Franchisor has received the full **$________________________________ repayment**.

4.2. Ongoing Royalty and Marketing Fees

Following full repayment, Franchisee shall continue to pay the **6% royalty** and **2% marketing contribution** as required under the Franchise Agreement.

5. Governing Law

This Agreement shall be governed by and interpreted in accordance with the laws of the **State of Vermont**.

6. Entire Agreement

This Agreement constitutes the entire understanding between the parties regarding the repayment of the franchise fee and **supersedes all prior agreements, discussions, or understandings** related to this matter.

7. Signatures

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

FRANCHISEE:	FRANCHISOR: We Clean Heat Pumps Franchising CO,. LLC
By:___________________________	By:___________________________ Gabriel Erde Cohen, CEO
By:___________________________	Date:__________________________

Attachment 4 to Franchise Agreement

STATE ADDENDA TO THE FRANCHISE AGREEMENT

WASHINGTON ADDENDUM TO THE FRANCHISE AGREEMENT

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws**. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. **Franchisee Bill of Rights**. RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. **Site of Arbitration, Mediation, and/or Litigation**. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. **General Release**. A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial**. Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. **Transfer Fees**. Transfer fees are collectable only to the extent that they reflect the franchisor’s reasonable estimated or actual costs in effecting a transfer.

7. **Termination by Franchisee**. The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions**. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee’s business for any reason during the term of the franchise agreement

without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing**. Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages**. RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement**. Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification**. Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees**. If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants**. 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 provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Nonsolicitation Agreements**. 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.

16. **Questionnaires and Acknowledgments**. 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.

17. **Prohibitions on Communicating with Regulators**. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is

inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers**. Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

Section 17.2.2(a) is modified to also provide that the post-term non-compete will only apply to a 25 mile

The undersigned does hereby acknowledge receipt of this addendum.

FRANCHISEE:	FRANCHISOR: We Clean Heat Pumps Franchising CO,. LLC
By:__________________________	By:__________________________ Gabriel Erde Cohen, CEO
By:__________________________	Date:_________________________

Exhibit C

FORM OF GENERAL RELEASE

THIS RELEASE is made and given by ____, ("Releasor" or "Franchisee") with reference to the following facts:

1. Releasor and We Clean Heat Pumps Franchising CO LLC ("Releasee" or "Franchisor") are parties to one or more franchise agreements.

2. The following consideration is given:

   _______ the execution by Releasor of a successor Franchise Agreement or other renewal documents renewing the franchise (the "Franchised Business"); or

   _______ Releasor's consent to Releasee's transfer of its rights and duties under the Franchise Agreement; or

   _______ Releasor's consent to Releasee's assumption of rights and duties under the Franchise Agreement; or

   ____ [insert description]

3. <u>Release</u>- Franchisee and all of Franchisee's guarantors, members, officers, directors, employees, agents, successors, assigns and affiliates fully and finally release and forever discharge Releasee, its past and present agents, employees, officers, directors, members, Franchisees, successors, assigns and affiliates (collectively "Released Parties") from any and all claims, actions, causes of action, contractual rights, demands, damages, costs, loss of services, expenses and compensation which Franchisee could assert against Released Parties or any of them up through and including the date of this Release.

4. THIS IS A SPECIFIC RELEASE GIVING UP ALL RIGHTS WITH RESPECT TO THE TRANSACTIONS OR OCCURRENCES THAT ARE BEING RELEASED UNDER THIS AGREEMENT.

5. <u>California Releasor</u>- You represent and warrant that YOU EXPRESSLY WAIVE ANY AND ALL RIGHTS AND BENEFITS UNDER CALIFORNIA CIVIL CODE §1542, which provides as follows:

> A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

6. The above Release shall not apply to any liabilities arising under the California Franchise Investment Law, the California Franchise Relations Act, Indiana Code § 23-2-2.5.1 through 23-2-2.7-7, the Maryland Franchise Registration and Disclosure Law, Michigan Franchise Investment Law, Minnesota Franchise Act, North Dakota franchise laws, the Rhode Island Investment Act, and the Washington Franchise Investment Protection Act.

7. Releasor agrees to comply with all of its applicable post-termination or post-transfer obligations (as the case may be) in the Franchise Agreement described above.

Releasor:	**Releasee:** **We Clean Heat Pumps Franchising CO LLC**
By:______________________________	By:______________________________
Printed Name:______________________	Date:_____________________________
Title:_____________________________	

Exhibit D

FINANCIAL STATEMENTS

The following statement applies to the unaudited portion of the financial statements which follows:

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

Balance Sheet

Unaudited

WCHP Franchising Co LLC

As of June 30, 2025

DISTRIBUTION ACCOUNT	TOTAL
Assets	
Current Assets	
Bank Accounts	
Checking Account	4,619.19
Total for Bank Accounts	**$4,619.19**
Accounts Receivable	
Accounts Receivable (A/R)	59,997.60
Total for Accounts Receivable	**$59,997.60**
Other Current Assets	
Undeposited Funds	
Total for Other Current Assets	**0**
Total for Current Assets	**$64,616.79**
Fixed Assets	
Other Assets	
Total for Assets	**$64,616.79**
Liabilities and Equity	
Liabilities	
Current Liabilities	
Accounts Payable	
Credit Cards	
Other Current Liabilities	
Deferred Revenue-Current Portion	3,600.00
Deferred Revenue-net of current portion	28,800.00
WCHP Franchising Co Owes Bodoerco	12,034.17
WCHP Franchising Co Owes WCHP	968.56
Total for Other Current Liabilities	**$45,402.73**
Total for Current Liabilities	**$45,402.73**
Long-term Liabilities	
Total for Liabilities	**$45,402.73**
Equity	
Retained Earnings	22,400.53
Net Income	-3,186.47
Total for Equity	**$19,214.06**
Total for Liabilities and Equity	**$64,616.79**

Profit and Loss

Unaudited

WCHP Franchising Co LLC

January 1-June 30, 2025

DISTRIBUTION ACCOUNT	TOTAL
Income	
Office Products	2,204.46
Sales	$1,528.40
Franchise Fee	1,337.37
Total for Sales	**$2,865.77**
Total for Income	**$5,070.23**
Cost of Goods Sold	
Office Staff Wages	60.00
Total for Cost of Goods Sold	**$60.00**
Gross Profit	**$5,010.23**
Expenses	
Advertising	0
Facebook Ads	469.27
Installer Mailer Campaign	606.50
Total for Advertising	**$1,075.77**
Audit	1,250.00
Franchisee Lodging	633.98
Franchisee Sales Meals	173.72
Housecall Pro Subscriptions	635.78
Legal Fees	$1,261.25
Accounting Fees	1,000.00
Total for Legal Fees	**$2,261.25**
Office Supplies & Software	355.61
QuickBooks Payments Fees	125.39
Quickbooks Subscription	385.20
Website Contractors	1,300.00
Total for Expenses	**$8,196.70**
Net Operating Income	**-$3,186.47**
Other Income	
Other Expenses	
Net Other Income	**0**
Net Income	**-$3,186.47**

We Clean Heat Pumps Franchising CO, LLC

Independent Auditor's Report
And
Financial Statements
December 31, 2024

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Metwally CPA PLLC
CERTIFIED PUBLIC ACCOUNTANT
1312 Norwood Dr STE 100, Bedford, Texas 76022
Cell: 214-200-5434 (Mohamed Metwally) Mmetwally@metwallycpa.com

Independent Auditor's Report

To the members of
We Clean Heat Pumps Franchising CO, LLC

Opinion

We have audited the accompanying financial statements of We Clean Heat Pumps Franchising CO, LLC (the Company), which comprise the balance sheet as of December 31, 2024, and the related statements of operations, members' equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of We Clean Heat Pumps Franchising CO, LLC as of December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our 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 We Clean Heat Pumps Franchising CO, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, management is required to evaluate whether there are conditions or events considered in the aggregate, which raises substantial doubt about We Clean Heat Pumps Franchising CO, LLC 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 it is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of We Clean Heat Pumps Franchising CO, LLC 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, which raise substantial doubt about We Clean Heat Pumps Franchising CO, LLC 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.

Metwally CPA PLLC

Metwally CPA PLLC
Bedford, Texas
March 05, 2025

We Clean Heat Pumps Franchising CO, LLC

Balance Sheet

December 31, 2024

		2024
ASSETS		
Current Assets		
Cash and cash equivalents	$	7,005
Accounts receivable		59,024
Total Current Assets		**66,029**
Total Assets	**$**	**66,029**
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities		
Due to related parties	$	10,720
Deferred revenue, current portion		3,600
Total Current Liabilities		**14,320**
Long-Term Liabilities		
Deferred revenue, net of current portion		28,800
Total Long-Term Liabilities		**28,800**
Total Liabilities		**43,120**
Members' Equity		
Members' equity		22,909
Total Members' Equity		**22,909**
Total Liabilities And Members' Equity	**$**	**66,029**

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

We Clean Heat Pumps Franchising CO, LLC

Statement of Operations
Year Ended December 31, 2024

		2024
Revenues		
Initial franchise fees	$	27,600
Services income		3,941
Royalties		878
Marketing and development		293
Total Revenues		**32,712**
Operating Expenses		
General and administrative		5,553
Legal and professional		2,750
Marketing and advertising		1,500
Total Operating Expenses		**9,803**
Net Income / (Loss)	**$**	**22,909**

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

We Clean Heat Pumps Franchising CO, LLC
Statement of Members' Equity
Year Ended December 31, 2024

Members' Equity At December 31, 2023	**$**	**-**
Net income (loss)		22,909
Members' Equity At December 31, 2024	**$**	**22,909**

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

We Clean Heat Pumps Franchising CO, LLC
Statement of Cash Flows
Year Ended December 31, 2024

		2024
Cash Flows From Operating Activities		
Net income / (loss)	$	22,909
Adjustments to reconcile net income to net cash provided by operating activities		
Change in assets and liabilities		
Accounts receivable		(59,024)
Due to related parties		10,720
Deferred revenue		32,400
Net Cash Provided By (Used In) Operating Activities		**7,005**
Cash Flows From Investing Activities		
Net Cash Flows Provided By (Used In) Investing Activities		**-**
Cash Flows From Financing Activities		
Net Cash Flows Provided By (Used In) Financing Activities		**-**
Net Change In Cash And Cash Equivalent During The Year		**7,005**
Cash and cash equivalent - beginning of the year		-
Cash And Cash Equivalent - End of The Year	**$**	**7,005**

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

We Clean Heat Pumps Franchising CO, LLC
Notes To Financial Statements
December 31, 2024

1. COMPANY AND NATURE OF OPERATIONS

We Clean Heat Pumps Franchising CO, LLC (the Company) was established in the state of Wyoming as a limited liability Company on June 2, 2023, for the purpose of offering franchise opportunities to entrepreneurs who want to develop and operate a heat pump cleaning franchise. The Company offers qualified individuals right to operate a business that provides HVAC cleaning and maintenance. The Company offers individual unit franchises and area development franchises for the development of multiple units within a designated territory under the "We Clean Heat Pumps" mark.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist the reader in understanding and evaluating the Company's financial statements. The financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of financial statements.

A. Basis of Accounting

The Company's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

B. Cash and Cash Equivalents

For purposes of the Statement of cash flows, cash equivalents include bank accounts and cash in transit for bank deposits with maturities of three months or less to be cash equivalents.

C. Accounts Receivable

Accounts Receivable arise primarily from initial franchise fees, royalties and are carried at their estimated collectible amounts, net of any estimated allowances for doubtful accounts. The Company provides an allowance for doubtful collections, which is based upon a review of outstanding receivables, historical collection information, existing economic conditions, and other relevant factors. The Company has determined that no allowance for doubtful accounts was necessary on December 31, 2024.

D. Federal Income Taxes

The Company is organized as a limited liability Company, the Company's taxable income or loss is allocated to members in accordance with their respective percentage ownership. Therefore, no provision for income taxes has been included in the financial statements.

E. Concentration of Credit Risk

The Company maintains cash and cash equivalents with major financial institutions. At various times during the year, the total amount on deposit might exceed the $250,000 limit insured by the Federal Deposit Insurance Corporation (FDIC). The Company believes that it mitigates credit risk by depositing cash with financial institutions having high credit ratings.

F. Use of Estimates

The preparation of our Company's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of our financial statements and the reported amounts of revenues, costs, and expenses during the reporting period. Actual results could differ significantly from those estimates. It is at least reasonably possible that a change in the estimates will occur in the near term.

G. Advertising and Marketing

Advertising and marketing costs are charged to operations in the year incurred.

H. Revenue Recognition

Revenue is recognized in accordance with ASC Topic 606, Revenue from Contracts with Customers. The Company adopted ASU 2021-02 Franchisors - Revenue from Contracts with Customers (Subtopic 952-606) effective with the application of ASC Topic 606. The ASU provides a practical expedient to ASU2014-09 Revenue from contracts with Customers (Topic 606). The new guidance allows franchisors to simplify the application of the guidance about identifying performance obligations for franchisors that perform pre-opening services by allowing a franchisor to account for pre-opening services as distinct if they are consistent with those included in a predefined list of pre-opening services.

<u>Franchise Fees</u>
The franchise arrangement between the Company and each franchise owner is documented in the form of a franchise agreement and, in select cases, a development agreement. The franchise arrangement requires the Company as franchisor to perform various activities to support the brand and does not involve the direct transfer of goods and services to the franchise owner as a customer. Activities performed by the Company before opening are distinguished from the franchise license. Therefore, the Company recognizes franchise fees as two performance obligations. The nature of the Company's promise in granting the franchise license is to provide the franchise owner with access to the brand's intellectual property over the term of the franchise arrangement.
The transaction price in a standard franchise arrangement consists of (a) franchise/development fees; (b) Marketing, brand development and royalties Fees and (c) IT Fees; (d) Annual Conference Fees. The Company utilize ASC 606 five-steps revenue recognition model as follows:

- Identify the contract with the customer.
- Identify the performance obligation in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations.
- Recognize revenue when (or as) each performance obligation is satisfied.

The terms of the Company's franchise agreement will be as follows:

- The Company will grant the right to use the Company name, trademark, and system in the franchisee's franchise development business.
- The franchisee is obligated to pay a non-refundable initial franchise fee.
- The franchisee is obligated to pay monthly royalties, marketing, IT, and annual conference fees. Certain other fees are also outlined in the agreement.

Franchise revenues are recognized by the Company from the following various sources: The Company recognizes franchise fees as two (2) performance obligations. The first, pre-opening services, including access to manuals, assistance in site selection, and initial training, have been determined to be distinct services offered to franchisees. Pre-opening services are earned over a period of time using an input method of completion based on costs incurred for each franchisee at the end of each year.
The second, access to the franchise license, has been determined to be distinct. The amount allocated to the franchise license is earned overtime as performance obligations are satisfied due to the continuous transfer of control to the

franchisee. Franchise and development fees are paid in advance of the franchise opening, typically when entering into a new franchise or development agreement. Fees allocated to the franchise license are recognized as revenue on a straight-line basis over the term of each respective franchise agreement. Initial franchise agreement terms are typically 10 years while successive agreement terms are typically 10 years.

Variable Considerations
Franchise agreements contain variable considerations in the form of royalty fees and brand development (advertising). These fees are based on franchisee sales and are recorded as revenue and recognized as these services are delivered because the variable payment relates specifically to the performance obligation of using the license. The Company collects funds from franchisees to manage the brand level advertising, marketing, and development program. The fee is based on a percentage of the gross sales, less any amount paid towards sales tax, payable monthly.

Brand Development Fund
The Company collects funds from franchisees to manage the brand-level advertising, marketing and development program. The fee is based on a percentage of the gross sales, less any amount paid towards sales tax, payable monthly.

Contracts Assets and Liabilities Balances
The Company incurs costs that are directly attributable to obtaining a contract, for example, commission fees, broker fees, and referral fees. Under ASC 606, costs that are directly associated with obtaining a contract are to be capitalized and recognized over the term of the agreement. Capitalized costs are included in deferred expenses on the accompanying balance sheet. As such, direct franchise license costs are recognized over the franchise and renewal term, which is the performance obligation, and is typically the franchise agreement's term. If a customer is terminated, the remaining deferred expense will be recognized as expenses.

Deferred revenue consists of the remaining initial franchise fees to be amortized over the life of the franchise agreements. Deferred revenue is a result of the collection of the initial franchise fee at the time of the signing of the franchise agreement and will fluctuate each year based on the number of franchise agreements signed.

I. Recent Accounting Pronouncements

FASB ASU No. 2016-02 – Leases (Topic 842) is effective for the calendar year 2022. The standard requires lessees to recognize right-of-use assets and liabilities for most leases with terms longer than twelve months. The Company has evaluated the impact of this standard on its financial statements and determined that it doesn't have any lease that meet the requirement to recognize a right-of-use asset and liability because the Company doesn't have any long-term leases.

3. CASH AND CASH EQUIVALENTS

The Company maintains its cash balance in U.S. noninterest-bearing transaction accounts which are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. On December 31, 2024, the Company's cash balance didn't exceed the FDIC insurance limits.

The Company considers all cash in the bank and investments in highly liquid debt instruments with maturities of three months or less to be cash equivalents. As of December 31, 2024 , the Company had approximately $7,005 in cash in its bank accounts.

4. ACCOUNTS RECEIVABLE

At the year ended December 31, 2024 accounts receivable consisted of the following:

		2024
Initial franchise fees' receivable	$	58,976
Royalties' receivable		48
Total Accounts Receivable	**$**	**59,024**

5. RELATED PARTY TRANSACTIONS

The Company has transactions with entities under common control. As of December 31, 2024, the Company had $10,720 due to related parties. The balance represents operation expenses paid by the related party on behalf of this Company.

6. REVENUE FROM CONTRACTS WITH CUSTOMERS

<u>Disaggregation of Revenue</u>

Information regarding revenues disaggregated by the time when goods and services are transferred consists of the following for the year ended December 31:

		2024
Revenue recognized over time	$	27,600
Revenue recognized at a point in time		5,112
Total Revenue	**$**	**32,712**

<u>Contract Balances</u>

The following table provides information about the change in the franchise contract liability balances during the year ended December 31, 2024. Franchise contract liability is included in deferred revenue on the accompanying balance sheets.

		2024
Beginning Balance	$	-
Additional deferred revenue		60,000
Revenue recognized – additional deferred revenue		(27,600)
Deferred revenue		**32,400**
Less: current maturities		(3,600)
Deferred revenue, net of current maturities	**$**	**28,800**

7. ADVERTISING EXPENSES

Advertising costs for the year ended December 31, 2024 were $1,500. These costs were expensed as incurred.

8. SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 05, 2025, which is the date the financial statements were available to be issued. The Company did not have any material recognizable subsequent events that would require adjustment to, or disclosure in, the financial statements.

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

12/31/2023

Current Assets:	
Cash	$1,000
Due from Affiliate	-
Total Current Assets	$1,000
Fixed Assets	
Equipment	-
Accum Depreciation	-
Total Fixed Assets	-
Other Assets	
Intangible Assets	-
Total Assets	$1,000
Current Liabilities	
Accounts Payable	-
Due to Affiliates	$1,000
Total Liabilities	$1,000
Member’s Equity	
Member’s Equity	-
Total Equity	-
Total Liabilities and Equity	$1,000

Exhibit E

BRAND STANDARDS MANUAL TABLE OF CONTENTS

Manual Section	Number of Pages
Preface & Introduction	35
Establishing My Franchise Business	37
Personnel	48
Administrative Procedures	25
Daily Procedures	40
Selling & Marketing	22
Total Number of Pages	**207**

Exhibit F

CURRENT AND FORMER FRANCHISEES

Current Franchisees

Names of all current franchisees (as of the end of our last fiscal year) and the address and telephone number of each of their outlets:

<u>Operational Outlets as of December 31, 2024:</u>
<u>New Jersey</u>
Matt Marcus
279 Bay Ave, Highlands, NJ 07732
(732) 890-6099

<u>South Carolina</u>
Trey Davidson
462 Woodland Shores Road, Charleston, SC 29412
(843) 209-2985

<u>Franchise Agreement Signed But Outlet Not Yet Open as of December 31, 2024:</u>
None

Former Franchisees

Name, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the disclosure document issuance date:

None

Exhibit G

State Addenda to Disclosure Document

**NEW YORK ADDENDUM
TO THE DISCLOSURE DOCUMENT**

As to franchises governed by the New York franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

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 DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

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

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

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

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

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

3. The following is added to the end of the "Summary" sections of Item 17(c), 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 upon the franchisee by Article 33 of the General Business Law of the State of New York.

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

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

WASHINGTON ADDENDUM
TO THE DISCLOSURE DOCUMENT

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws**. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. **Franchisee Bill of Rights**. RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. **Site of Arbitration, Mediation, and/or Litigation**. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. **General Release**. A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with
RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial**. Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. **Transfer Fees**. Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. **Termination by Franchisee**. The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions**. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing**. Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price

is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages**. RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement**. Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification**. Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees**. If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants**. 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 provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Nonsolicitation Agreements**. 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.

16. **Questionnaires and Acknowledgments**. 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.

17. **Prohibitions on Communicating with Regulators**. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers**. Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A

franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

EXHIBIT I
STATE EFFECTIVE DATES

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

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

State	Effective Date
New York	Pending
Washington	Pending

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

Receipt

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

If We Clean Heat Pumps Franchising CO, 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.

Iowa requires that we give you this Disclosure Document at the earlier of the first personal meeting or 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.

Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If We Clean Heat Pumps Franchising CO, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency (which are listed in Exhibit A).

The franchisor is We Clean Heat Pumps Franchising CO, LLC, located at 139 Main St Box 31, Brattleboro, VT 05301. Its telephone number is 866-349-2147.

Issuance Date: April 21, 2025

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

Name	Principal Business Address	Telephone Number
Marion Bolognesi	139 Main St Box 31, Brattleboro, VT 05301	866-349-2147
Tracy Dowd	139 Main St Box 31, Brattleboro, VT 05301	866-349-2147
Gabriel Matthew Erde-Cohen	139 Main St Box 31, Brattleboro, VT 05301	866-349-2147
Daniel Hayes	849 Darling Road, Northfield, VT 05663	802-485-6077

We authorize the respective state agencies identified on Exhibit A to receive service of process for us in the particular state.

I received a disclosure document dated April 21, 20254, that included the following Exhibits:

A. State Administrators and Agents for Service of Process
B. Franchise Agreement
Attachment 1-Ownership Information
Attachment 2-Guaranty and Non-Compete Agreement
Attachment 3-Franchise Royalty Repayment Agreement
Attachment 4-State Addenda to the Franchise Agreement
C. Form of General Release
C. Form of General Release
D. Financial Statements
E. Brand Standards Manual Table of Contents
F. Current and Former Franchisees
G. State Addenda to Disclosure Document
H. State Effective Dates

Signature: ___________________________

Print Name: _________________________

Date Received: _______________________

Keep This Copy For Your Records

Receipt

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

If We Clean Heat Pumps Franchising CO, 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.

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Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If We Clean Heat Pumps Franchising CO, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency (which are listed in Exhibit A).

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D. Financial Statements
E. Brand Standards Manual Table of Contents
F. Current and Former Franchisees
G. State Addenda to Disclosure Document
H. State Effective Dates

Signature: ___________________________

Print Name: _________________________

Date Received: ______________________

Return this copy to us.

We Clean Heat Pumps Franchising CO, LLC
139 Main St Box 31, Brattleboro, VT 05301