FRANCHISE DISCLOSURE DOCUMENT

ZOOM FRANCHISE COMPANY LLC
a Pennsylvania limited liability company
915 South Trooper Road
Norristown, PA 19403
877-629-7647
www.zoomdrain.com
support@zoomdrain.com

As a franchisee you will operate a business that provides drain cleaning and sewer inspections, maintenance, repair and replacement work for residential and commercial customers.

The total investment necessary to begin operations of a Zoom Sewer and Drain Cleaning franchise is between $199,000 and $341,000. This includes $35,000 that must be paid to the franchisor or its affiliates.

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, contact Ellen Rohr, Zoom Franchise Company, LLC at 915 South Trooper Road, Norristown, PA 19403, 877-629-7647.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as *"Buying A Franchise: A Consumer Guide,"* 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: February 5, 2019

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in **Exhibit F** for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION AND MEDIATION IN PENNSYLVANIA. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE AND MEDIATE WITH US IN PENNSYLVANIA THAN IN YOUR HOME STATE.

2. THE FRANCHISE AGREEMENT STATES THAT PENNSYLVANIA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3. THE FRANCHISOR HAS THE RIGHT TO TERMINATE THE FRANCHISE AGREEMENT BASED ON YOUR FAILURE TO ACHIEVE CERTAIN MINIMUM SALES GOALS.

4. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM $199,000 to $341,000. THIS AMOUNT EXCEEDS THE FRANCHISOR'S MEMBERS' EQUITY AS OF DECEMBER 31, 2018, WHICH IS ($98,685).

5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We may use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

Effective Date: See the next page for state effective dates.

STATE EFFECTIVE DATES

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

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

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

THE FOLLOWING PROVISIONS APPLY ONLY TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW

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

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

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

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

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

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

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

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

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

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

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

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

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee or subfranchisor until the obligations 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 THE OFFICE OF THE ATTORNEY GENERAL, CONSUMER PROTECTION DIVISION, ATTN: FRANCHISE SECTION, G. MENNEN WILLIAMS BUILDING, 1ST FLOOR, LANSING, MICHIGAN 48913, (517) 373-71171.

ZOOM FRANCHISE COMPANY, LLC
FRANCHISE DISCLOSURE DOCUMENT

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FRANCHISE DISCLOSURE DOCUMENT

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

To simplify the language in this franchise disclosure document "**us**" "**our**" or "**we**" means Zoom Franchise Company, LLC, the franchisor. "**You**" or "**your**" means the person who buys the franchise. If you are a corporation, partnership or limited liability company, "**you**" or "**your**" also means the shareholders of the corporation, partners of the partnership or members and managers of the limited liability company, who must sign an Agreement to Comply with Certain Undertakings of the Franchisee.

Background of Us and Our Affiliates

We are a Pennsylvania limited liability company organized on July 19, 2013. Our principal place of business is 915 South Trooper Road, Norristown, PA 19403. We do not currently do business under any name other than Zoom Franchise Company, LLC.

Zoom Sewer & Drain Cleaning Service, Inc. ("**Zoom Sewer & Drain**") is an affiliate of ours. It was incorporated on August 9, 1995, in the State of Pennsylvania. Since that time, it has been operating the same type of business you will operate in the Philadelphia, Pennsylvania metropolitan area. Its principal place of business is 915 South Trooper Road, Norristown, PA 19403.

We have no predecessors or parents.

Agent for Service of Process

Our agents for service of process and their principal place of business addresses are disclosed in **Exhibit F**.

The Business

The franchisee will operate a business that provides drain cleaning and sewer inspections, maintenance, repair and replacement work for residential and commercial customers under the Marks (as defined below) and in accordance with the System (as defined below). You will operate the Zoom Sewer and Drain Cleaning franchise using the System and Marks as described in the Franchise Agreement, which is attached as **Exhibit A** (the "**Franchise Agreement**"). "**Marks**" means the service marks, trademarks, trade dress, trade names and all configurations and derivations, as may presently exist, or which may be modified, changed, or acquired by us or our affiliates, in connection with the operation of the Franchised Business (defined below). Currently, the Marks include "Zoom", "Zoom Drain", "Zoom-Jetting", "Fast. Fixed. Zoom", "Fast. Focused. Zoom", "Fast. Focused. Fixed." and the Zoom Vortex design. "**System**" means the specially developed method of operating a business that provides drain cleaning and sewer inspections, maintenance, repair and replacement work for residential and commercial customers under the Marks, using certain business formats, methods, procedures, designs, marketing and sales procedures, standards and specifications, which may be changed, improved, modified and further developed by us or our affiliates from time to time.

The key to our System is "Fast. Focused. Fixed." Using the System, franchisees can respond Fast when a customer calls. While most drain companies also engage in plumbing and related services, our System is Focused on drain and sewer work only, allowing our franchisees to develop an extensive know-how of the end of the plumbing fixture to the hand off to the waste treatment system, and allowing a franchisee to carry just the right equipment to address this Focused area of a customer's plumbing system. Fixed means that we will do whatever it takes to fix the problem. The System facilitates a culture and ability to go above and beyond on every job. We will stick with it until the problem is solved. We just don't give up.

As a Zoom franchisee, you will do business under the fictitious or assumed name of "**Zoom Drain & Sewer Services**." References to "**Zoom Business**" means any business operating under the Marks and the System regardless of whether it is operated by a licensee, franchisee, affiliate or us. "**Franchised Business**" means the Zoom Business you operate under the System and Marks and according to the terms and conditions of the Franchise Agreement. "**Services**" means the types of services that you are permitted and/or required to perform in the operation of the Franchised Business. At the present time, such Services consist of providing drain cleaning and sewer inspections, maintenance, repair and replacement work. We reserve the right to modify, change and add to the types of Services that may be provided by Zoom Businesses, from time to time, and the right to include the sale of certain products in connection with the provision of such Services.

We offer a single unit franchise to operate one Zoom Business. If we approve you as a franchisee, you may sign a Franchise Agreement. In no event will you be a franchisee until we have signed a Franchise Agreement with you. We may permit you to convert an existing drain and sewer business into a Zoom Business. In our sole discretion, we may permit you to add the Zoom Business to an existing service business that provides related services we determine might provide strategic advantages. In such event, you will set up an affiliate entity to be the franchisee and sign a "Plus Play Addendum" which is found in Exhibit 5 of the Franchise Agreement at the same time you sign the Franchise Agreement.

The Services offered by Zoom Businesses are used primarily by residential and commercial customers. Your Franchised Business will have to compete with other types of plumbing and drain cleaning businesses and businesses offering one or more of the Services your Franchised Business will offer, including national chains, franchises and local businesses.

Industry Regulations

You must comply with all of the state, federal and local laws, rules, regulations, ordinances and requirements to operate your Franchised Business, and you are responsible for knowing the state, federal and local laws, rules, regulations, ordinances and requirements that regulate your Franchised Business and the sewer and drain cleaning industry. Some jurisdictions may require you to obtain a license before you can perform Services. You should thoroughly investigate and consult with an attorney regarding all applicable laws and regulations that might impact your Franchised Business before purchasing a franchise from us.

Our Business Experience

We began offering franchises in January 2014. Zoom Sewer & Drain, our affiliate, has operated a business similar to the Zoom Business since 1995. Our affiliates have not offered franchises similar to the Zoom Business. We have not conducted a business of the type you will be operating. We are not involved in any other business other than franchising Zoom Businesses and providing services to our franchisees. Neither we, nor any of our affiliates have offered franchises in other lines of businesses.

ITEM 2 BUSINESS EXPERIENCE

Manager, President and Chief Executive Officer: James N. Criniti

Since January 1, 2019, Mr. Criniti has been one of our Managerss and our President and Chief Executive Officer.

Since August 1995, Mr. Criniti has also been the President of our affiliate, Zoom Sewer & Drain.

Manager, Vice President and Chief Operating Officer: Ellen Rohr

Since our inception in July 2013, Ms. Rohr has been one of our Managers and our Chief Operating Officer. Since January 1, 2019, Ms. Rohr has also been our Vice President. From July 2013 until December 2018, Ms. Rohr served as our President. She works from Rogersville, Missouri.

Since 2000, Ms. Rohr has also been the President of Bare Bones Biz, Inc., a consulting firm in Rogersville, Missouri that focuses on business planning and literacy.

ITEM 3 LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4 BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5 INITIAL FEES

You must pay us an initial franchise fee of $35,000 in a lump sum when you sign the Franchise Agreement (**"Initial Franchise Fee"**). The Initial Franchise Fee is fully earned by us when paid and is not refundable under any circumstances.

ITEM 6 OTHER FEES*

Column 1 TYPE OF FEE	Column 2 AMOUNT	Column 3 DUE DATE	Column 4 REMARKS
Royalty Fee (Note 1)	5% of Net Sales	Payable on the 3rd day and 19th day of each month	We require payments to be made either via electronic funds transfer (**"EFT"**) or other methods
Marketing Fee (Note 1)	Up to 2% of Net Sales Currently, we do not charge this fee	Payable on the 3rd day and 19th day of each month	This amount is paid in the same manner as the Royalty Fees

Column 1 TYPE OF FEE	Column 2 AMOUNT	Column 3 DUE DATE	Column 4 REMARKS
Call Center Fee (Note 2)	Up to $25 per scheduled appointment Currently, we do not operate the Call Center or charge a Call Center Fee	Payable on the 3rd day and 19th day of each month	If we establish a Call Center, we may institute a Call Center Fee based on the number of appointments we schedule for you through the Call Center. This amount will be paid in the same manner as the Royalty Fees
Technology Fee (Note 3)	Our then-current Technology Fee; currently $500 per month	Payable on the 3rd day of each month	This fee is paid beginning in the first month after you sign the Franchise Agreement
Webpage Development and Optimization Fee (Note 4)	The then-current fee charged by our designated website SEO provider; currently $695 per month	Payable on the 3rd day of each month	This fee is paid beginning in the first month after you sign the Franchise Agreement. Currently, we collect this amount, however, we reserve the right to have you pay the vendor directly
Additional Location Fee	Our then-current Additional Location Fee; currently $2,000	At the time you sign the Additional Location Schedule	Payable if you elect to open an Additional Location in your Protected Territory
Transfer Fee	Up to 50% of the then current Initial Franchise Fee	Prior to consummation of transfer	Payable when you sell your franchise, an interest in you or assets of your Franchised Business
Renewal Fee	Up to 25% of the then current Initial Franchise Fee	At the time of renewal	Payable when you renew the Franchise Agreement
Additional Training and Assistance (Note 5)	Fee and all expenses Currently $1,000 per day plus travel expenses	Upon request or as we require	This is for additional training we may provide from time to time or additional assistance that you need or request
National Conference	Reasonable fees and all expenses	Upon demand	This is for an annual National Conference lasting 2-3 days which your Principal Owner must attend
Testing for Supplier Approval	Reasonable fee	Upon demand	Only if you request that a supplier be approved
Interest on late payments (Note 6)	Lesser of 1 ½% per month or maximum legal rate	Upon demand	Payable on all overdue amounts to us or our affiliates

Column 1 TYPE OF FEE	Column 2 AMOUNT	Column 3 DUE DATE	Column 4 REMARKS
Audit Fee (Note 6)	Cost of audit	Upon demand	If we determine that you have been deficient in reporting your Net Sales by more than 2%
Taxes (Note 7)	Actual cost	Upon demand	Payable if certain taxes are levied or assessed on the fees you pay to us or our affiliates
Indemnification	Will vary under circumstances	As incurred	You must reimburse us if we are held liable for claims from your Franchised Business operation
Costs and Attorneys' Fees	Will vary under circumstances	As incurred	Due when you do not comply with the Franchise Agreement and we have to seek assistance to enforce the Agreement.

* All fees are imposed by and are payable to us or our affiliates. All fees are non-refundable. All fees are uniformly imposed on all franchisees.

Note 1: **Royalty Fee; Marketing Fee.** You are required to pay us a semi-monthly Royalty Fee of 5% of Net Sales. The Royalty Fee is payable on the 3rd day and 19th day of the month (each a **"Payment Date")**. The Royalty Fee payable on the 3rd day of the month is based on the Net Sales made from the 16th day to through the last day of the prior month, and the Royalty Fee payable on the 19th day of the month based on the Net Sales made from the first day to the 15th day of that month (each a **"Payment Period"**). We reserve the right to modify the Payment Date and Payment Period from time to time.

If we establish a Marketing Fund, you will be required to pay us a semi-monthly Marketing Fee equal to an amount up to 2% of Net Sales. The Marketing Fee will be paid on the Payment Dates based on the applicable Payment Period. Currently, the Marketing Fee is not assessed.

"Net Sales" means the total amount of all sales of products and services sold from, through, or in connection with the Franchised Business, whether for cash, on credit, barter or otherwise, exclusive of applicable sales, use or service taxes, and less bona fide refunds to customers and customer discounts.

We are authorized to take these fees, as well as the Technology Fee and the Webpage Development and Optimization Fee (if paid to us) from you by electronic transfer or such other manner that we may designate from time to time. You will comply with the procedures specified in the Confidential Operations Manuals or as otherwise communicated for the EFT program and will perform the acts and sign the documents, including authorization forms that we, our bank, and your bank may require to provide payment by EFT, including authorizations for us to initiate debit entries and/or credit correction entries to a designated checking or savings account. In addition, you will pay all costs associated with utilizing an EFT payment program.

Note 2: **Call Center Fee.** We reserve the right to develop a call center to answer your customers' telephone calls and to schedule appointments (**"Call Center"**). If a Call Center is established, we expect that it will be an optional service for you to use, but we reserve the right to require you to use the Call Center. If established, we reserve the right to charge a Call Center Fee based on the number of scheduled appointments made by the Call Center. We anticipate that any Call Center Fee will be paid in the same manner as the Royalty Fee and Marketing Fee based on the appointments made by the Call Center on your behalf during the applicable Payment Period.

Note 3: __**Technology Fee.**__ You are required to use various cloud-based shared services through accounts established by us. The Technology Fee covers your cost to use these shared services. We may also use the Technology Fee to support modifications and enhancements of our website and for other maintenance and support services we may choose to offer, including the costs we incur to research and develop apps and software, and to research and test new technology. The Technology Fee will be paid on the 3rd day of the month in the same manner as the Royalty Fee and Marketing Fee. We will provide you with at least 30 days' notice of any change in the amount of the Technology Fee.

Note 4: __**Webpage Development and Optimization Fee.**__ For so long as we determine to have locations listed on our website, your Franchised Business will have a dedicated page or set of pages on our website. Our approved vendor will develop the webpage for your Franchised Business based on the design templates we approve, and our vendor will provide ongoing search engine optimization services for the page(s) dedicated to marketing the services available from your Franchised Business. The Webpage Development and Optimization Fee will be the amount our designated vendor charges from time to time. Currently you will pay the Webpage Development and Optimization Fee to us, however, we reserve the right to change service providers and/or to require you to pay this fee directly to the designated vendor. If you pay this fee to us, it will be due on the 3rd day of each month. We will alert you promptly upon our receipt of notice from the vendor of any increases in this fee or of our determination to have you pay the vendor directly, at which point the date on which your payment is due may change depending on the vendor's payment requirements.

Note 5: __**Additional Training and Assistance Fees.**__ We reserve the right to charge you a reasonable amount for any training we provide to you, your managers or employees in addition to the initial Zoom Zip Team training described in Item 11. Currently, we charge $1,000 per day, plus travel and lodging expenses incurred by our trainers. You will also be responsible for any salaries, travel, meal, incidental, and lodging expenses incurred by persons attending the training program. We will make available continuing advisory assistance in a manner as we deem appropriate, and we can charge a reasonable fee for it.

Note 6: __**Interest /Audit Fees.**__ You must pay us interest on any amounts past due to us or our affiliates, including Royalty Fees, Marketing Fees, Technology Fees, Webpage Development and Optimization Fee (if paid to us), Call Center Fees and products purchases. The rate of interest will be the lesser of 1½ % per month or the maximum legal rate in the jurisdiction where your Franchised Business is located. If you under report Net Sales, in addition to paying us for the amount of the deficiencies in the fees you paid, you must also pay interest on these unpaid amounts. If the amount of Net Sales you report for any calendar year is less than 98% of the actual Net Sales for that period, you must reimburse us for all costs of the investigation or audit that uncovered the under-reported sales, including salaries, professional fees, travel, meals, and lodging.

Note 7: __**Taxes.**__ You agree to indemnify and/or reimburse us and our affiliates for all capital, gross receipts, sales, and other taxes and assessments imposed by any applicable state or local governmental authority as a result of the operation of the Franchised Business or the license of any of our or our affiliates' intangible property to you (whether required to be paid by us or our affiliates, withheld by you or otherwise). Your obligation to indemnify or reimburse us or our affiliates for these taxes does not extend to income-type taxes which a state or local government imposes on us or our affiliates' income.

ITEM 7 ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Column 1 TYPE OF EXPENDITURE	Column 2 AMOUNT (Low-High Range)	Column 3 METHOD OF PAYMENT	Column 4 WHEN DUE	Column 5 TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee (Note 1)	$35,000	Lump Sum	Upon signing the Franchise Agreement	Us
Lease (Note 2)	$ 3,000 – $ 9,000	Lump Sum	Upon signing the lease	Landlord
Leasehold Improvements (Note 2)	$ 2,000 – $ 40,000	As incurred	Before Opening	General Contractor
Furniture, Fixtures and Computer System (Note 3)	$ 7,500 – $ 13,000	As incurred	As arranged	Suppliers
Vehicles (Note 4)	$ 7,000 – $ 9,500	As arranged Lease recommended.	Before Opening or Monthly	Auto dealer
Vehicle Wrap and Design (Note 5)	$ 4,500 – $ 5,500	As arranged	Before Opening	Suppliers
Initial Equipment and Inventory of Supplies (Note 6)	$ 40,000 – $ 50,000	Lump Sum	Before Opening	Suppliers
Business Licenses and Permits; Deposits and Pre-Paid Expenses (Note 7)	$ 0 – $ 5,000	As incurred	Before Opening	Government Agencies and Organizations; Utility Companies
Professional Fees	$ 500 – $ 3,000	As incurred	Before Opening	Attorney and accountant
Insurance – quarterly (Note 8)	$ 4,000 – $ 6,000	Lump Sum	Before Opening	Insurance agent
Initial Training Expenses (Note 9)	$ 500 – $ 5,000	Lump Sum	Before Opening	Airlines, hotels, etc.
Initial Marketing Expenses (Note 10)	$ 45,000 – $ 60,000	As incurred	60 days after opening	Suppliers
Additional Funds – 6 months (Note 11)	$ 50,000 – $100,000	As incurred	As arranged	Suppliers, employees.

Column 1 TYPE OF EXPENDITURE	Column 2 AMOUNT (Low-High Range)	Column 3 METHOD OF PAYMENT	Column 4 WHEN DUE	Column 5 TO WHOM PAYMENT IS TO BE MADE
TOTAL (Note 12)	$199,000 – $341,000			

The chart above describes the estimated initial investment for a Zoom Business. The chart above is based on a Franchised Business operated with either no employees or 1 part-time employee. If you hire full time employees, your expenses will increase.

Note 1. **Initial Franchise Fee.** The Initial Franchise Fee is $35,000 and is described in greater detail in Item 5.

Note 2. **Lease; Leasehold Improvements.** You must find office space to lease that is within your Protected Territory. The size of the office should be approximately 1,000 square feet. The space you use should have sufficient parking for your Vehicles (defined below). If you do not own or purchase real estate for the location of your Franchised Business, you will need to lease space from a landlord. You may be permitted to conduct the Franchised Business from your home provided that doing so complies with applicable zoning regulations and the office space is significantly separate from the home. If you rent, the landlord will usually require you to pay the equivalent of one or two month's rent. The range in the Table above represents one month's rent and a security deposit of two month's rent. Rental rates or deposits on an unknown location cannot be predicted in advance. These costs will vary greatly depending on the metropolitan area where the Franchised Business will be located. These estimates are based on locations in and around the Philadelphia Metropolitan area. In most cases, we would expect franchisees to rent rather than purchase property.

Depending on the specifics of the site you select, you may need to remodel the space to meet the needs of the Franchised Business. We will provide you with layout, drawings and design of a typical Zoom Business. The cost of construction, improvements or building varies widely by the size of the space, the existing improvements and local construction rates. Until a specific site is located and evaluated a reliable estimate of costs cannot be projected. Sometimes you may receive a construction allowance from the landlord or you may lease a location that was already built out in a suitable fashion and if so, the costs may be reduced accordingly.

Note 3. **Furniture, Fixtures and Computer System.** These figures include basic office furniture, fixtures and basic business supplies. You will need to have or install communications systems that comply with our specifications, including high speed Internet access, email capacity and a dedicated telephone and facsimile lines. You will need the computer system described in Item 11. The low range includes license fees for 2 users for three months. The high range includes license fees for 5 users for three months.

Note 4. **Vehicles.** Before you open your Franchised Business, you are required to own, purchase or lease three vehicles for use in connection with the Franchised Business. The vehicles required include 1 pick-up truck and 2 service vehicles of the type we require. We strongly suggest that you lease the Vehicles, but you may acquire Vehicles by purchase, and you may acquire used Vehicles so long as they meet our standards, including being not more than 7 years old, are laid out according to our specifications, are free from rust and are able to accommodate the basic inventory list. The figures assume you will lease the Vehicles. The high estimate assumes you will incur expenses to ship the Vehicles from the dealer to the location of your Franchised Business. Lease rates on an unknown specific make or model of the Vehicles from an unknown region of the country cannot be predicted in advance. These costs will vary greatly depending on the make and model of vehicle selected and the prevailing lease rates in the metropolitan area where the Franchised Business will be located. These estimates are based on new Vehicles found in and around the Philadelphia Metropolitan area.

Note 5. Vehicle Wrap and Design. You are required to have a full vehicle wrap for the Vehicles, which must also be painted as we specify. You must also incorporate our specified truck designs, including shelving. In order to maintain the high quality of the Marks, logos, designs and wraps associated with the System, you must have the Vehicles re-wrapped, refurbished and maintained, at your expense. You will not have to re-wrap the Vehicles until the 4th year after you sign the Franchise Agreement (other than as a result of damage to the wrapping beyond normal wear and tear). Otherwise, you will have to re-wrap, refurbish and maintain the Vehicles as we determine in our sole discretion (typically every 2 to 3 years), in order to conform with the then-current signage, logos, design or graphic wrap associated with Zoom Businesses.

Note 6. Equipment and Initial Inventory. This includes the required Vehicle stock list and the equipment and supplies you will need to start your Franchised Business, including the water jetting unit, draining cleaning machines, cameras and other diagnostic equipment, parts inventory and general plumbing tools. The estimate assumes you do not have any equipment or inventory useable in your Franchised Business and that you will purchase all new equipment and inventory.

Note 7. Business Licenses and Permits, Deposits and Pre-Paid Expenses. These amounts represent the business licenses and permits you will likely need to establish the Franchised Business. Your Vehicles will likely need to be registered with your state vehicle registration authority. It also includes an estimate of the deposits your utility companies are likely to require. The amount of your actual utility deposits will vary depending on the size of your facility space, the number of utilities your landlord requires you to pay and the number of utility companies that require a deposit. Typically, utility providers require a deposit equal to 1 month's average charge for that utility. You are required to obtain all necessary licenses and pay all required governmental fees to operate your Franchised Business.

Note 8. Insurance. You must obtain, at a minimum, the insurance coverage that we require and meet the other insurance-related obligations we specify, all of which are described in detail in Section 8.9 of the Franchise Agreement. These amounts represent the estimated quarterly insurance premiums for the required insurance.

Note 9. Initial Training Expenses. These figures estimate the costs for your Principal Owner and up to 3 additional people to attend our initial Zoom Zip Team training program, including the cost of travel, lodging and meals. Our initial Zoom Zip Team training program is described in Item 11. "Principal Owner" refers to you, if you are a sole proprietor or the majority owner of you, if you are an entity. If there are multiple owners of you who have the same amount of ownership interest, then you will designate one of your owners to be the Principal Owner.

Note 10. Initial Marketing Expenses. You are required to conduct an initial advertising and marketing campaign during the first 6 months of operating your Franchised Business. This low estimate includes your required initial advertising spend of $15,000 per month during the initial 3 months of operating your Franchised Business. The high estimate reflects the cost of additional marketing efforts beyond the required initial advertising and marketing you may choose to do.

Note 11. Additional Funds. This item estimates your startup expenses during the initial period of 6 months of the operation of your Franchised Business. These expenses include telephone and Internet utilities, additional products and supplies, etc., and wages for 3 to 4 employees. These estimates do not include Royalty Fees, Marketing Fees, Call Center Fees or any other expenses which are already listed in the above charts and do not include an owner's salary or draw. These figures are estimates, and you may have additional expenses in order to start the business. Your costs will depend on various factors, including how closely you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for your products and services; the prevailing wage rates; competition; and sales levels reached during the initial period.

Note 12. Total. Costs and expenses can vary depending on factors like whether you can operate the Franchised Business from your owner's home or whether you will hire any employees. These figures were based on the experience of our affiliate, Zoom Sewer & Drain, which has operated a similar business to the Zoom Business since 1995 in Philadelphia, Pennsylvania. The expenses may differ in other parts of the country. Except as described above, none of the fees listed in this Item are refundable. Your financial condition, arrangements negotiated by you and the business decisions made by you will also affect these costs. There can therefore be no assurance that the experience of a particular franchisee will correspond with the information presented above. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

We do not offer, either directly or indirectly, financing to you for any items. (See Item 10) The availability of financing will depend upon various factors like the availability of financing generally, your creditworthiness, other security that you may have, and the requirements of lending institutions concerning the type of business to be operated by you.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate the Franchised Business according to our System. You are required to purchase all products, services, supplies, inventory, computer software and hardware (as described in Item 11), equipment and materials required for the operation of the Franchised Business from manufacturers, suppliers and distributors we approve, or from other suppliers who meet our specifications and standards. Specification of a supplier may be conditioned on requirements relating to, among other things, frequency of delivery, standards of services, including prompt attention complaints, as well as payments, contributions or other consideration to us, our affiliates, any advertising fund we maintain, whether now or in the future, and/or otherwise, and our approval may be temporary, in each case in our reasonable discretion. We have imposed these requirements in order to assure quality and uniformity of the Zoom Businesses and services provided to our customers. We may, from time-to-time, withhold, condition and/or revoke our approval of particular items or suppliers in our reasonable discretion. We or our affiliates may receive rebates, commissions and other benefits from suppliers in relation to items purchased by you and other franchisees. We have the right to condition or revoke your right to participate in any supplier programs if you are in default under the Franchise Agreement. Some of the approved suppliers may be affiliated with us.

Approved suppliers will be designated in the Confidential Operations Manuals or otherwise communicated to you in writing. We reserve the right to modify and/or substitute products or suppliers. If we do so, we will inform you of any changes by updates or supplements to the Confidential Operations Manuals or otherwise communicate these changes to you in writing. Currently, neither our affiliates nor us are approved suppliers, but we reserve the right to become approved suppliers or designate one or more affiliates as approved suppliers in the future.

Currently, there are no approved suppliers in which any of our officers own an interest. Our officers reserve the right to have an interest in other approved suppliers in the future.

If you wish to purchase or lease any goods, products, equipment, supplies or suppliers not approved by us as meeting our specifications, you must first notify us. We may require you to submit sufficient photographs, drawings and/or other information and samples to determine whether these goods, products, equipment, supplies or suppliers meet our specifications. Our standards and specifications may impose minimum requirements for delivery, performance, design and appearance. Generally, we will advise you within a 20-day period whether these goods, products, equipment, supplies or suppliers meet our specifications. We may require samples from alternate suppliers or vendors to be delivered to us or to a designated independent testing laboratory (or other place we determine) for testing before approval and use. We may also require you to pay a reasonable charge based upon the cost of the test made by us or by an independent testing laboratory designated by us.

We reserve the right to negotiate with various vendors for quantity discount contracts that may include rebates to us or our affiliates in the future. We have the right to affiliate ourselves with suppliers, and/or receive revenues from purchases made by franchisees. There are currently no purchasing or distribution cooperatives, but we reserve the right to establish these in the future. We may negotiate purchase arrangements with suppliers (including price terms) for the benefit of the franchise system. We do not provide material benefits to you (for example, renewal or granting additional franchises) based on your purchase of particular products or services or use of particular suppliers.

During the fiscal year 2018, neither we nor any of our affiliates derived revenue from selling products or services to franchisees or received any rebates from suppliers on account of purchases by franchisees. The purchase of products from approved sources will represent approximately 35% - 55% of your overall purchases in opening the franchise and 5% - 10% of your overall purchases in operating the franchise.

In addition to the purchases or leases described above, you must buy and maintain, at your own expense, insurance coverage that we require and meet the other insurance-related obligations we specify, all of which are described in detail in Section 8.9 of the Franchise Agreement. The cost of coverage will vary depending on the insurance carrier's charges, terms of payment and your history; however, as described in Item 7, the insurance charges are estimated to be $16,000 to $24,000 per year. All insurance policies must name us as an additional insured party.

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	Sections 5.1, 5.2 and 5.3 of the Franchise Agreement	Items 6 and 11
(b) Pre-opening purchases/leases	Sections 8.4, 8.5, 8.6 and 8.9 of the Franchise Agreement	Items 7 and 8
(c) Site development and other pre-opening requirements	Sections 5.4 and 5.5 of the Franchise Agreement	Item 11
(d) Initial and ongoing training	Sections 7.1 and 7.2 of the Franchise Agreement	Items 6, 7 and 11
(e) Opening	Sections 5.4, 5.5 and 8.12 of the Franchise Agreement	Item 11

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
(f) Fees	Article 6 of the Franchise Agreement	Items 5 and 6
(g) Compliance with standards and policies/Operations Manual	Article 8.1, 8.2, 8.7, 8.8 and 8.10 of the Franchise Agreement	Items 8 and 11
(h) Trademarks and proprietary information	Article 12 and Section 16.1 of the Franchise Agreement	Items 13 and 14
(i) Restrictions on products/services offered	Sections 8.2, 8.3 and 8.4 of the Franchise Agreement	Items 8, 12 and 16
(j) Warranty and customer service requirements	Section 8.8 of the Franchise Agreement	Item 11
(k) Territorial development and sales quotas	Section 3.3 of the Franchise Agreement	Item 12
(l) Ongoing product/service purchases	Sections 8.2, 8.3 and 8.4 of the Franchise Agreement	Item 8
(m) Maintenance, appearance and remodeling requirements	Section 5.6 of the Franchise Agreement	Items 8, 11 and 17
(n) Insurance	Section 8.9 of the Franchise Agreement	Items 6, 7 and 8
(o) Advertising	Article 9 of the Franchise Agreement	Items 6, 7 and 11
(p) Indemnification	Section 13.2 of the Franchise Agreement	Item 6
(q) Owner's participation/management/ Staffing	Section 8.14 of the Franchise Agreement	Items 11 and 15
(r) Records/Reports	Article 10 of the Franchise Agreement	Item 6
(s) Inspections/audits	Article 11 of the Franchise Agreement	Items 6 and 11
(t) Transfer	Article 14 of the Franchise Agreement	Item 17
(u) Renewal	Section 4.3 of the Franchise Agreement	Item 17
(v) Post-termination obligations	Section 15.5 of the Franchise Agreement	Item 17
(w) Non-competition covenants	Sections 16.3 and 16.4 of the Franchise Agreement	Items 15 and 17
(x) Dispute Resolution	Article 17 of the Franchise Agreement	Item 17

ITEM 10. FINANCING

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

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

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

Before you open the Franchised Business, we will:

(1) Designate your Protected Territory. (Franchise Agreement – Section 3.1 and Exhibit 2);

(2) You may locate or relocate your office only within the Protected Territory and only with our prior written approval. (Franchise Agreement – Section 5.1) The site for your Franchised Business

must be approved by us. (Franchise Agreement – Section 5.3) If you and we cannot agree upon a site, we may provide you with reasonable additional time, in our discretion, to obtain an acceptable site. Our approval of a particular site is not to be regarded as an endorsement by us of any particular site, nor will it constitute a warranty by us as to the future success of the Franchised Business at that location. You are primarily responsible for investigating the site and having any leases or sale contract for the site reviewed and approved by your attorney. Typically, you will operate your office from a leased location, but you may choose to use a home office if there is sufficiently separate space and you comply with applicable zoning laws. You are solely responsible for locating, securing and evaluating the suitability of your office and, if applicable, for the review and negotiations of your lease. The site must meet our criteria for demographic characteristics; traffic patterns; parking; zoning; competition from, proximity to, and nature of other businesses; size; appearance; and other physical and commercial characteristics;

(3) Provide approved suppliers or minimum standards and specification for the products and services you need to equip and operate your Franchised Business. (Franchise Agreement – Sections 8.2 and 8.4);

(4) Provide an initial training program for the operation of the Franchised Business to your Principal Owner and up to 3 additional people. This training consists of 2 phases: Phase 1 includes training at the Franchised Business and Phase 2 includes training at Norristown, PA and is described in greater detail later in this Item 11. (Franchise Agreement – Section 7.1); and

(5) Loan you a copy of the Confidential Operations Manuals ("Manuals") described below. (Franchise Agreement – Section 8.10).

Time for Opening the Franchised Business

We estimate that the typical length of time between signing of the Franchise Agreement and date you Commence Operating a new Zoom Business is between 90 and 120 days. **"Commence Operating"** means, with respect to the Franchised Business or any particular Additional Location, the date you first perform or are able to perform the Services under the Marks to customers in your Protected Territory, which date(s) will be set forth in our notice(s) of approval. Factors affecting the length of time usually include satisfactorily completing the Zoom Zip Team training, obtaining all necessary equipment and supplies, and obtaining all necessary licenses or permits. The opening of the franchise may be delayed only if such delay is caused by contingencies not within your control, such as acts of God, governmental restrictions, strikes or labor disputes. You will use your best efforts to cure any such delay and any such delay in opening shall be for a period of days equal to number of days during which such event actually prevents completion. You must notify us of any such delays promptly. For any newly developed Approved Location, all construction work must be completed and the Franchised Business at the Approved Location must Commence Operating within 120 days after the Franchise Agreement is signed. For any newly developed Additional Location, all construction work must be completed and the Franchised Business at the Additional Location must Commence Operating within 120 days after the applicable Additional Site Schedule is signed. You may not Commence Operating your Franchised Business at the Approved Location or any Additional Location until we provide our written notice of approval. For any converted Franchised Business operated at an Approved Location, all conversion work must be completed and the Franchised Business at the Approved Location must Commence Operating within 90 days after the Franchise Agreement is signed. For any converted Franchised Business operated at an Additional Location, all conversion work must be completed and the Franchised Business at the Additional Location must Commence Operating within 90 days after the applicable Additional Site Schedule is signed. You may not Commence Operating your Franchised Business at the Approved Location or any Additional Location until we provide our written notice of approval. If you do not

Commence Operating the Franchised Business within the time periods previously described, we have the right to terminate the Franchise Agreement.

During the Operation of your Franchised Business, we:

(1) May provide a Call Center to assist you in providing sales and support services to your customers for so long as we maintain it. We reserve the right to charge a reasonable fee for appointments scheduled by the Call Center (Franchise Agreement – 6.4);

(2) May provide to you, at your request, with additional guidance and assistance. We reserve the right to charge a reasonable fee for this additional guidance and assistance. (Franchise Agreement – Section 7.2); and

(3) Continue to loan you 1 copy of the Manuals. (Franchise Agreement – Section 8.10).

These Manuals are confidential and remain our property. You will operate your Franchised Business in strict compliance with those operational systems, procedures, policies, methods and requirements found in the Manuals that are designated as mandatory and in any supplemental bulletins and notices, revisions, modifications, or amendments to the Manuals, which we may provide to you in writing, either in document or electronic form, all of which are a part of the Manuals.

You must treat the Manuals, any other manuals or written materials provided by us or our affiliate for use in the operation of the Franchised Business, (in any format whatsoever, including but not limited to electronically, via the Internet, hard copy, etc.) and the information contained in them, as confidential, and you must use all reasonable efforts to maintain this information as secret and confidential. You must not copy, duplicate, record or otherwise reproduce these materials, in whole or in part, or otherwise make them available to any unauthorized person. The Manuals must be kept in a secure place within your Franchised Business. It must be returned to us upon termination or expiration of your Franchise Agreement.

We have the right to make additions to, deletions from or revisions to the Manuals, which you have to comply with at your own cost. You must ensure that the Manuals are kept current at all times. If there is any dispute as to the contents of the Manuals, the terms of the master copies maintained by us, at our principal office, will be controlling. The table of contents of the Manuals, including allocations of pages to each subject, are included as Exhibit B to this disclosure document. As of the date of this disclosure document, the Manuals, collectively, consist of 449 pages.

ADVERTISING

Marketing Fund

We reserve the right to establish a marketing fund (the "**Fund**"). If established, you must contribute semi-monthly Marketing Fees of up to 2% of Net Sales to the Fund. The Marketing Fees received from you will be made available for the payment of all costs associated with the creation, production, distribution, media placement and administration of local, state, regional or national advertising programs, website design and maintenance and for any taxes incurred on these funds. These funds will be used for advertising on television, radio, direct marketing mailings, the newspaper Internet and such other forms of advertising and public relations on a local, state, regional or national level as we deem appropriate in our discretion. We have the right to determine the type of advertising and the media in which it will appear, as we feel is appropriate. We have the sole right to formulate and make policy decisions concerning every aspect of the advertising and franchise expansion program, consistent with applicable law. We will not be obligated, in administering the Fund, to make expenditures for your Franchised Business which are: (i) equivalent or proportional to your contribution; or (ii) spent in any particular area or territory. We do not spend any funds from the Fund on advertising that is principally a solicitation for the sale of franchises, except that we will use portions of the Marketing Fees towards the costs of any website we may maintain, which website may contain information about our franchising programs. We will not have to spend the funds in the Fund during any specific time period. Advertising may be handled by the outside advertising agency that we select. All Marketing Fees received will be maintained in an account separate from our other monies. We will maintain separate bookkeeping accounts for the Fund, and we will provide an annual unaudited financial statement of the Fund upon request. The Fund will not be our asset. The Fund will also not be a trust. We will have a contractual obligation to hold all funds in the Fund for the benefit of the contributors and to use contributions only for their permitted purposes described in this Item 11. We will have no fiduciary obligation to you for administering the Fund.

At the present time, we do not have an advertising council composed of franchisees that advises us on advertising policies, but we reserve the right to create such a council in the future. We do not have any advertising cooperatives, but we reserve the right to establish advertising cooperatives in the future.

All of the Zoom Businesses owned by us or our affiliates will be required to contribute the same percentage of Net Sales to the Fund as our franchisees. If we do not use all of the funds contributed to the Fund in a particular fiscal year, the remaining funds will be carried over to the next fiscal year and be included in that year's advertising budget. We will be entitled to reimbursement from the Fund to cover our administrative and overhead expenses associated with operating the Fund.

Your Own Advertising

In addition to your required contributions to the Fund, you must spend at least 5% of your Net Sales each quarter for advertising and promotion of your Franchised Business. You must have proof of your expenditures if we request to review your books and records. You must submit all your own advertising and sale promotion materials to us or our designated advertising agency for approval before use. If you do not receive written disapproval within 30 days after we or they receive the materials, we will be deemed to have given approval. You are responsible to ensure that all advertising and promotion materials used by you, whether created or consented to by us, comply with applicable laws. You may not advertise or use in advertising or other form of promotion, the Marks without the appropriate copyright, trademark, and service mark symbols ("©", "®", "TM" or "SM") as we direct.

Currently, we require you to contract with our approved supplier for e-marketing, search engine optimization and pay per click marketing services. Amounts you spend with this supplier count towards your 5% local advertising requirement.

You may not advertise or use any of the Marks on the Internet except after obtaining our consent. Any advertising on the Internet shall be pre-approved by us and on terms specified by us. Further, you may not use the Marks (or any marks or names confusingly similar to the Marks) as an Internet domain name, user or account name, or in the content of any worldwide website, including any social media website (such as LinkedIn, Facebook or Twitter). We maintain and control the web sites www.zoomdrain.com. We may provide contact information for Zoom Businesses, including the Franchised Business, on our website for so long as we determine. All of the information on these or any other pages of our website remains subject to our control and approval. Subject to our right to consent, you may be permitted to create a social media account from which to advertise your Franchised Business on the Internet. Any such permission shall only be for such time as we permit and shall be on the terms and condition we specify from time to time in the Manual, which may restrict the content that you are permitted to post to the social media outlet. We have the right to require a modification of or cease granting you permission to develop, operate or maintain any such social media outlet or other Internet presence at any time and to require you to give us administrative control and/or login information for any such social media site you operate for the promotion of your Franchised Business. Except as otherwise provided in the Manual or otherwise in writing, you may not maintain a presence on the Internet for your Franchised Business. Any advertising delivered by facsimile, electronic mail or other electronic means shall be pre-approved by us and on terms specified by us.

Initial Advertising.

Under the Franchise Agreement, you must conduct an initial advertising and marketing campaign for your Franchised Business during the first 6 months after you commence operating and expend not less than $15,000 per month (the "Initial Advertising") for such purpose. The Initial Advertising will utilize the marketing and public relations programs and the media and advertising materials that we have approved. The Initial Advertising shall be conducted at the times we consider prudent. You must provide to us, within 30 days of our request, copies of all receipts and other documents we reasonably request, demonstrating your compliance with these obligations.

COMPUTER SYSTEM

You must obtain and use the computer system we require. Currently, this includes the following computer hardware: at least one desktop computer operating Windows 7 or higher, tablet devices for all technicians and smart phones for all other employees who are engaged in field work. The cost of the computer system is estimated to be $1,500 depending on the specific computer, tablet and smart phone makes and options you elect to purchase. You must have a functioning email address so that we can send you notices and otherwise communicate with you.

You must also obtain Intuit's QuickBooks Enterprise accounting software, and integrate it with Service Titan. You will utilize a cloud-based network connection. The cost of this software is estimated to be approximately $185 per service technician you have accessing the software per month. ServiceTitan currently charges a setup fee of $1,495, which will be credited against the monthly service technician fees.

We also require that you obtain thru us a subscription to G Suite by Google. You will pay us the Technology Fee to use these shared services.

We have independent, unlimited access to the information generated by the computer system. The types of business information that will be collected will be orders, customer information, pricing, and sales information. We will have independent access to information and data in your computer system, and there are no contractual limitations on our right to access the information. You are required to sign an acknowledgment with ServiceTitan confirming our access to your data on the ServiceTitan system. The acknowledgment is attached to the Franchise Agreement as Exhibit 7. We have no contractual obligation to upgrade or update any hardware or software.

In the future, we may require you to change, upgrade or modify the type of computer hardware and software at your expense. There are no contractual limitations on the frequency and cost of this obligation. We need not reimburse you for any of these costs. We and our affiliates may condition any license of proprietary software to you or your use of technology that we or our affiliates may require, develop or maintain, on your signing an agreement or similar document that we, our affiliates or the vendor may require to regulate the use of the software.

TRAINING

We or our representatives or agents will provide the following training to your Principal Owner and personnel. We expect that initial training will be conducted after the Franchise Agreement has been signed and before you commence operating the Franchised Business. There is no specific date by which you must complete the training, but you must complete the training to our satisfaction before you open your Franchised Business. If you currently operate a Zoom Business, the training program is not mandatory, but it will be offered if we determine it to be necessary. We have the right to waive, in our sole discretion, any portions of the training program that we believe will not be necessary to you based on your previous experience. There currently are no fixed (i.e. monthly or bi-monthly) training schedules, but the training programs are given on an as-needed basis.

The initial Zoom Zip Team training program consists of two phases which occur prior to your opening: Phase 1 includes 2-3 days of training at your Franchised Business and Phase 2 includes 2-3 days in Norristown, PA. We do not charge for the initial Zoom Zip Team training program for your Principal Owner and up to 3 additional people, but you are responsible for wages, travel, and living expenses for your trainees.

TRAINING PROGRAM

Column 1 Subject	Column 2 Hours of Classroom Training	Column 3 Hours of On the Job Training	Column 4 Location
Initial Training – Phase 1			
The Zoom Philosophy and Business Overview	1	0	Franchised Business
Planning Power • Introduction to Systems, Manuals • Discuss "Hub and Spoke" Growth Model • Create/Update Trello Boards – Franchisee, Individual • Review Master Project Procedures • Create Master Project List – Franchisee • Create Top 30 and Top 5 Projects • Establish Master To Do Lists – Individual • Demonstrate "Steps of Delegation" • Create the initial Organizational Chart, intro to Flow of Communication	4	0	Franchised Business

Column 1 Subject	Column 2 Hours of Classroom Training	Column 3 Hours of On the Job Training	Column 4 Location
Operating Power • Triangle of Communication • Manual Review – Service Techs • Manual Review – CSRs • Manual Review – DSRs • Manual Overview of Employee-Employer Manual	8	0	Franchised Business
Staffing Power • Schedule Essential Manager Meetings and Agendas • Review "Guidelines for Meetings" • Practice the "Meeting with Me"	4	0	Franchised Business
Financial Power • Incorporate/Update ZOOM Chart of Accounts • Update, Train on QBs, Service Titan • Create, Update Budgets • Implement ZOOM Capture Procedure for franchise fees • Month End Checklist Overview • Set Financial Remote Call Schedules	4	0	Franchised Business
Total (Phase 1)	**21**	**0**	
Initial Training – Phase 2			
Overview of Each Area of ZOOM – People and Process	1	0	Norristown, PA
Review Trello Boards – Franchisee, Individual • Review Goals, Golden Rules • Review Top 5 Priority Projects • Review, Demonstrate Individual Master To Do Lists • Review the Organizational Chart, Flow of Communication Charts	3	0	Norristown, PA

Column 1 Subject	Column 2 Hours of Classroom Training	Column 3 Hours of On the Job Training	Column 4 Location

Marketing Power
• Overview Marketing Manual
• The Top 5 Target Customers (LTV, CAC)
• Determine Marketing Projects – next 6 months – Trello
  ○ Marketing Budget
  ○ Marketing Allocation/Drivers
  ○ Marketing Calendar
• Introduce/Show Zoom Marketing Assets
	4	0	Norristown, PA

Staffing Power
• Suggestions on Recruiting and Hiring
  ○ Google Hire Setup
  ○ Running the Ads
  ○ Recruiting Process
  ○ Interview Procedure
  ○ Hiring Procedure and Checklists
• Suggestions on Orientation and Staffing
  ○ Orientation Process Checklists
  ○ Orientation Checklists
  ○ Salary Levels
  ○ Forms Rollout
	4
	4
		0
		0
			Norristown, PA

Front Line Training – Techs • Review Drain & Sewer Manual • Refer to Apprentice to Tech Training Checklist • Ride Alongs with Service Techs • Practice Price Book, "Scavenger Hunt" Common Tasks • Practice Receiving, Invoicing Jobs on Phones/Tablets • Practice Service Titan Reports, Scorecards	0	8	Norristown, PA

Column 1 Subject	Column 2 Hours of Classroom Training	Column 3 Hours of On the Job Training	Column 4 Location
Front Line Training – Office Team • Overview CSR/DSR Positions/Manuals • Review of CSR Training Checklist – FOCUSED • Overview AR/Credit and AP/Payroll Positions/Manuals • Side by Side with Customer Service Representative (CSR) • Side by Side with Dispatcher (DSR) • Practice Full Cycle of Jobs "Call to Complete" in Service Titan • Review Naming Convention, File Storage	0	6	Norristown, PA
Whole Team • Participate in Model Center FQC/Top Projects Meeting • Update Planning Power Remote Call Schedule • Establish Additional Training Needs, Schedule Tech Training Onsite at Franchisee Shop	0	2	Norristown, PA
Total (Phase 2)	**16**	**16**	

Note that some subjects may be intermingled and time periods and subject matter may be subject to change. The hours listed for On the Job will typically include more than one subject matter. The above are merely estimates.

The above training program is conducted by Ellen Rohr, Al Levi and James Criniti. Ride along and certain training will include members of the Zoom Sewer & Drain staff.

Ellen Rohr is a founding member of Zoom Franchise Company and the creator of a business and website (www.barebonesbiz.com) that provides business literacy training and books, and she is the developer of *The Bare Bones Biz Plan*, a step-by-step business planning model. Ellen has authored 4 books, including *Where Did the Money Go?*, *The Bare Bones Biz Plan*, *The Weekend Biz Plan* and *How Much Should I Charge?* She is also a frequent columnist for *PHCNews* magazine, *Visa Small Business* blog, *Huffington Post* blog, *U.S. Boiler* magazine and *The Springfield Business Journal*. Ellen's franchise experience includes serving as President of Benjamin Franklin Plumbing Franchise, LLC from 2001 to 2004.

Al Levi is a founding member of Zoom Franchise Company and the creator of unique business systems for contractors, which provide the backbone for the 7 Power Concepts he teaches. Al's website, www.appleseedbusiness.com, provides access to business systems and training both one-to-one onsite and remotely with contractors around the United States, including Leadership and Planning training, Operations Manuals and Systems training, Staffing System and Training, Sales Systems and Training, and Marketing System and Training. Al is the author of the Power Plans (*Leadership Power!*, *Operating Power!*, *Staffing Power!* and *Sales Power!*). Al is a monthly columnist for *Plumbing and Mechanical* magazine, and he contributes to monthly blog postings for many of the Business News Publishing online websites.

James Criniti is the President and a founder of our affiliate, Zoom Sewer & Drain, and a founding member of Zoom Franchise Company. He has operated a business similar to a Zoom Business since 1995. James, a US Air Force Veteran, and his brother Jason, a Master Plumber in the State of Pennsylvania, own Zoom Sewer & Drain and have been specializing in sewer and drain work since that company started. The Crinitis have worked with Al and Ellen since 2010 refining the Zoom Drain Systems, Operations Manuals and Training Center. The Systems are fully implemented at Zoom Sewer & Drain.

We may provide additional training throughout the term of the Franchise Agreement. Sometimes the training may be provided through system-wide conference calls or in regional or national meetings. Currently, we conduct weekly "Huddle" telephone conferences that one member of your team is required to attend, and we intend to hold an annual 2 to 3-day national conference – Zoom Empire Wide in Norristown, PA or another location we designate. Attendance at the annual event will be mandatory for your Principal Owner (your managers are welcome to attend, but not required). We may elect to charge a reasonable fee for any training or meeting provided after the opening of the Franchised Business. You must pay the compensation of the trainee as well as such trainee's travel, lodging and personal expenses. We do not currently charge for the weekly Huddles. Other than Zoom Empire Wide, the location, duration, and content of such refresher training programs or meeting has not yet been determined.

ITEM 12 TERRITORY

Under the Franchise Agreement, you will conduct and operate your Franchised Business from one or more offices located within your Protected Territory. Initially, you will establish a single Approved Location that will be listed in Exhibit 2 of the Franchise Agreement. If you and we agree, you and we complete the Additional Site Schedule set forth in Exhibit 3 of the Franchise Agreement, and you pay the Additional Location Fee, you will be able to operate your Franchised Business from one or more Additional Locations. You and we will agree upon a geographic territory before you sign your Franchise Agreement, which will be listed in Exhibit 2 of the Franchise Agreement (**"Protected Territory"**). The Protected Territory will typically be based on contiguous zip codes and will be comprised of approximately 500,000 individuals (according to the most recent U.S. Census data available at the time you and we sign the Franchise Agreement). You are responsible to independently evaluate any geographic territory in which you are interested and satisfying yourself as to its appropriateness. The Approved Location and any Additional Locations must all be located within your Protected Territory.

So long as the Franchise Agreement is in force and effect and you are not in default, neither we nor our affiliates will locate, operate, or grant a franchise for another Zoom Business within your Protected Territory. Except as limited above in this Item 12, we and our affiliates retain all rights with respect to Zoom Businesses, the Marks, the sale of similar or dissimilar products and services and any other activities we deem appropriate whenever and wherever we desire, including (1) the right to own or operate, or license others to own or operate Zoom Businesses anywhere outside of your Protected

Territory; (2) the right to operate or license others the right to operate similar businesses or any other businesses under trademarks or service marks other than the Marks in any location, both inside or outside of your Protected Territory; (3) the right to operate or license others to operate businesses that are not the same as a Zoom Business under the Marks in any location, both inside or outside of your Protected Territory; and (4) the right to offer any products or services (including the products and services you offer at your Franchised Business) through other channels of distribution (including the Internet, print catalogues and direct marketing media) both inside and outside of your Protected Territory. We are not required to pay you if we exercise any of the rights specified above inside your Protected Territory.

Nothing will prohibit us or our affiliates from doing business within the Protected Territory for National Accounts. A National Account means those customers, with more than 1 location covered by an agreement for services, which are not located solely in the area of one franchisee. If you obtain an account that is considered a National Accounts, you must refer it to us and it will be treated as a National Account; however, we reserve the absolute right to reject any such account for any reason. National Accounts shall be negotiated solely by us or our affiliates, even if you procure the National Account. All National Accounts will be considered our property and you will have no claim to them. If one or more locations of a National Account fall within your Protected Territory, we will first offer you the opportunity to provide services on the terms and conditions that we have established with such National Account. You are not required to service a National Account, and if you do not accept such offer in the manner and within the time period that we specify, we have the right to service the account ourselves, or may authorize other Zoom Businesses, to provide such services. However, the decision to accept or reject you as a provider of services for the National Account ultimately rests with the National Account.

You cannot relocate your office without obtaining our prior approval. We do not grant any right of first refusal or similar rights to acquire additional franchises. You must operate your Franchised Business and provide Services only to customers located within the Protected Territory. You are not permitted to solicit customers outside of your Protected Territory. However, you may provide Services to customers located outside of your Protected Territory so long as you obtain our prior written consent and the customers are not located in the protected territory of another Zoom Business. You have no territorial protection in any area outside of your Protected Territory, and upon the establishment of a Zoom Business in an area outside of your Protected Territory, you may only continue servicing a customer in that area if you maintain a maintenance agreement with that customer.

We have not established and do not operate, and have not formulated any plans or policies to establish or operate, or to franchise others to operate, any business offering services similar to or competitive with those to be offered for sale by your Franchised Business under different trade names or trademarks, or of selling other services or products utilizing the Marks, but we retain the right to do so.

We and our affiliates have the right, now and in the future, to purchase, merge, acquire or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities as Zoom Businesses operating under the Marks or any other marks following our purchase, merger, acquisition or affiliation, regardless of the location of these facilities (which you acknowledge may be within or near your Protected Territory).

We and our affiliates may sell ourselves, our assets, our proprietary marks (including the Marks) and/or our system (including the System) to a third party; may go public; may engage in a private placement of some or all of our securities; may merge, acquire other corporations or entities, or be acquired by another corporation or entity; and/or may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. With regard to any of the above sales, assignments and dispositions, you will, in the Franchise Agreement, expressly and specifically waive any claims, demands or damages arising from or related to the loss of our name, Marks, other proprietary marks (or any derivation of those marks), the System, other systems and/or the loss of association with or identification as a franchisee under this Agreement. If we assign our rights in the Franchise Agreement, nothing in this disclosure document or in the Franchise Agreement will be deemed to require us to remain in the drain cleaning business.

You have no options, rights of first refusal or similar rights to acquire additional franchises.

After you have operated the Franchised Business for at least 3 years, we have the right to annually evaluate the financial performance of your Franchised Business. In order for you to retain the rights to the Protected Territory, beginning in your 4th year you must annually achieve at least a 1:1 ratio between your Net Sales and the total population in your Protected Territory. The total population in your Protected Territory will be listed in Exhibit 2 of the Franchise Agreement. If you fail to reach this minimum business growth requirement, we reserve the right to either reduce the size of your Protected Territory or to terminate the Franchise Agreement by written notice to you.

Except as provided above, continuation of your franchise or territorial rights does not depend on your achieving a certain sales volume, market penetration or other contingency.

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

ITEM 13 TRADEMARKS

We will grant you the right to operate your Franchised Business under the Marks. The registrations and applications for registrations have been filed on the principal register. The principal Marks are:

Mark	Registration Date (Application Date)	Registration Number (Serial Number)
ZOOM	August 7, 2012	4186144
FAST. FOCUSED. ZOOM.	April 29, 2014	4521711
ZOOM-JETTING	January 5, 2016	4881312
ZOOM DRAIN	February 9, 2016	4897999
FAST. FIXED. ZOOM.	August 9, 2016	5018901
	June 6, 2017	5217542
FAST. FOCUSED. FIXED.	(September 19, 2018)	(88123443)

All required affidavits or renewal filings have been filed in connection with the Marks.

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

We will grant you a nontransferable, non-sublicensable, non-exclusive license to use the Marks in connection with the Franchised Business. You must follow our rules when you use the Marks, including giving proper notices of trademark or service mark ownership and/or registration and obtaining assumed and fictitious name registration for your Franchised Business as required by law. You cannot use any name or mark as part of a corporate name or with modifying words, designs or symbols except for those which we license to you. You may not use the Marks in connection with the sale of an unauthorized product or service, in a manner not authorized in writing by us, or as part of any domain name, homepage, electronic address, or otherwise in connection with a website.

There are currently no effective material determinations of the Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of this state or any court, and no pending infringement, opposition or cancellation proceedings, and no pending material litigation involving the Marks. There are no agreements currently in effect that significantly limit our rights to use or license the use of the Marks in any manner material to the trademark.

You must notify us immediately of any apparent infringement or challenge to your use of any Mark, or any claim by any person of any rights in any Mark. We have the sole right to take such action, as we deem appropriate and the right to exclusively control any litigation or administrative proceedings arising out of any infringement, challenge or claim. You must execute any and all instruments and documents, provide such assistance, and take any action that may be necessary or advisable to protect and maintain our and our affiliates' interest in any litigation or other proceeding or otherwise to protect and maintain our or our affiliates' interest in the Marks. The Franchise Agreement does not require us to participate in your defense and/or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a Mark or if the proceeding is resolved unfavorably to you.

If we decide to modify or discontinue the use of the Marks and/or to use one or more additional or substitute names or marks, you must make the changes we require of you at your own expense and without claim against us. You will need to comply within a reasonable time of the request.

We do not actually know of either superior prior rights or infringing uses that could materially affect your use of the Marks in any state.

ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

We own no special patents that pertain to the Franchise Agreement.

We and our affiliates claim common law copyright rights in the Manual. You may use these items while operating your Franchised Business (and must stop using them if we direct you to stop).

Neither we nor any of our affiliates have filed an application for a copyright registration with the U.S. Registrar of Copyrights for these materials, but need not do so at this time to protect them. Item 11 describes limitations on the use of the Manual by you and your employees. You must also promptly tell us when you learn about unauthorized use of this proprietary information.

We are not obligated to take any action to protect or defend copyrights, although we intend to do so if we decide it is necessary. We may control any action we choose to bring, even if you voluntarily bring the matter to our attention. We need not participate in your defense and/or indemnify you for damages or expenses in a proceeding involving a copyright.

The Franchise Agreement provides that you acknowledge that the System and the methods of operation licensed by us for the operation of a Zoom Business, are proprietary, confidential trade secrets belonging to us or our affiliates, and you agree to maintain the confidentiality of all materials and information lent or otherwise furnished to you by us at all times, including after the termination or expiration of the Franchise Agreement, for any reason. The Franchise Agreement also provides that all ideas, concepts, techniques, or materials concerning a Zoom Business, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the System, and works made-for-hire for us. To the extent any item does not qualify as a "work made-for-hire" for us, you must assign ownership of that item and all related rights to that item, to us and must take whatever action (including signing assignment or other documents) we request to show our ownership or help us obtain intellectual property rights in the item.

Further, according to the Franchise Agreement, you agree that you will not, during the term of the Franchise Agreement (other than to the extent necessary to operate the Franchised Business) or after its expiration or termination, for any reason, communicate or divulge to any others, any information or knowledge concerning the System and any trade secrets except those in the public domain. You must also agree not to use our confidential information in an unauthorized manner and to exercise the highest degree of diligence and will make every effort to maintain the absolute confidentiality of all trade secrets and proprietary rights during and after the term of the Franchise Agreement. We may regulate the form of confidentiality agreement that you use with your employees or agents and we will be a third party beneficiary of those agreements, with independent enforcement rights.

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

You recognize the importance of your Principal Owner's participation in the management of the Franchised Business and that this Principal Owner's agreement to so participate in the management of the Franchised Business is a material inducement for us to enter into the Franchise Agreement. Therefore, the Principal Owner is required to use his or her best efforts and is personally responsible for the management of the Franchised Business on a day-to-day basis, unless we otherwise approve an alternate arrangement. We, in our sole discretion, may allow you to hire a qualified manager to operate the day-to-day affairs of the Franchised Business; however, your Principal Owner must remain actively involved in the operations and management of the Franchised Business. Your Principal Owner is required to carefully monitor and be responsible for the performance of anyone designated to manage the operation of the Franchised Business. Any designated manager who will operate the Franchised Business, as well as other supervisory personnel, are required to sign a confidentiality and non-competition agreement in a form we approve.

If you are a corporation, limited liability company or partnership, your owners must personally guarantee certain non-financial obligations under the Franchise Agreement and agree to be bound personally by these contractual provisions including the covenant not to compete and confidentiality. This "Agreement to Comply with Certain Undertakings of the Franchisee" is attached to the Franchise Agreement.

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We require you to offer and sell only those services or products that we have approved. We have the right to change the types of required and/or authorized services or products and you will be notified in writing (e.g., by a bulletin or a supplement to the Manual). You are prohibited from offering or selling any products or services not authorized or approved by us and in compliance with the Franchise Agreement. We, in our discretion, may approve or deny your request to eliminate some or add other services or products. In accordance with applicable law, we have the right to set the prices at which you will sell the Services. You also agree to add such equipment and make such alterations, at your expense, as may be necessary to equip the Franchised Business for sale of the Services or any additional services we may require. You recognize that you may need to make an additional investment to do so.

You are not permitted to solicit business outside of your Protected Territory and you are only permitted to Service customers located outside of your Protected Territory as described in Item 12. Other than that, we do not impose any other restrictions or conditions that limit your access to customers.

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	Section 4.1 of the Franchise Agreement	10 years from signing the Franchise Agreement
b. Renewal or extension	Section 4.3 of the Franchise Agreement	4 additional terms for 10 years each
c. Requirement for franchisee to renew or extend	Section 4.3 of the Franchise Agreement	Give notice, pay fee of 25% of the then-current Initial Franchise Fee, sign a release and sign a new franchise agreement that may contain terms and conditions materially different from those in your previous franchise agreement, such as different fee requirements and territorial rights
d. Termination by franchisee	Section 15.4 of the Franchise Agreement	If we breach agreement and do not cure or attempt to cure after notice
e. Termination by franchisor without cause	Not Applicable	Not Applicable

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
f. Termination by franchisor with cause	Sections 15.1, 15.2 and 15.3 of the Franchise Agreement	If you don't satisfactorily complete training, don't open within 120 days after you sign the Franchise Agreement, you fail to meet minimum Net Sales requirements, or generally if you breach the Franchise Agreement
g. "Cause" defined – curable defaults	Sections 15.1 and 15.2 of the Franchise Agreement	You have 10 days to cure monetary defaults and 30 days to cure all others except those listed in Section 15.1 of the Franchise Agreement
h. "Cause" defined – non-curable defaults	Section 15.3 of the Franchise Agreement	Non-curable defaults, conviction of felony or any crime of moral turpitude, abandonment, giving insufficient funds checks and bankruptcy
i. Franchisee's obligation on termination/non-renewal	Section 15.5 of the Franchise Agreement	Payment of amounts due, return materials and Manual, turn over customers and information upon our request, cancel any assumed names using the Marks, and comply with all post-termination provisions
j. Assignment of contract by Franchisor	Section 14.1 of the Franchise Agreement	No restrictions on right to assign
k. "Transfer" by franchisee – defined	Section 2.1.14 of the Franchise Agreement	Transfer of contract or assets or ownership change
l. Franchisor approval of transfer by franchisee	Section 14.2 of the Franchise Agreement	Right to approve all transfers
m. Conditions for franchisor approval of transfer	Section 14.2 of the Franchise Agreement	Transferee qualifies, transfer fee paid, new franchise agreement signed, training of transferee, release signed
n. Franchisor's right of first refusal to acquire franchisee's business	Section 14.4 of the Franchise Agreement	We can match any offer for your business or an ownership interest in you
o. Franchisor's option to purchase franchisee's business	Not Applicable	Not Applicable
p. Death or disability of the franchisee	Section 14.3 of the Franchise Agreement	Heir must be approved but no right of first refusal

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
q. Noncompetition covenants during the term of the franchise	Section 16.2 of the Franchise Agreement	No involvement in a Competitive Business (as defined in the Franchise Agreement)
r. Noncompetition covenant after the franchise is terminated or expires	Sections 16.3 and 16.4 of the Franchise Agreement	No involvement in a Competitive Business except as duly licensed by us for 2 years within 25 miles of the location of your former Zoom Business or the location of any other Zoom Business. You will also be bound by a 2 year non-solicitation clause.
s. Modification of the agreement	Section 20.8 of the Franchise Agreement	No modification generally but Manual and system subject to change
t. Integration/merger clause	Section 20.7 of the Franchise Agreement	Only the terms of the Franchise Agreement are binding (subject to applicable state law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable
u. Dispute resolution by arbitration or mediation	Section 17.1 of the Franchise Agreement	Except for certain claims, all disputes must be mediated in Montgomery County, PA
v. Choice of forum	Section 17.2 of the Franchise Agreement	Litigation must be in the State Courts in Montgomery County, PA or the Federal Courts in Philadelphia County, PA (subject to applicable state law)
w. Choice of law	Section 18.5 of the Franchise Agreement	Pennsylvania law applies (subject to applicable state law)*

ITEM 18 PUBLIC FIGURES

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

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make 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 our management by contacting Ellen Rohr, 915 South Trooper Road, Norristown, PA 19403, 877-629-7647, the Federal Trade Commission, and any appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary For Years 2016 To 2018

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2016	1	2	+1
	2017	2	5	+3
	2018	5	9	+4
Company-Owned±	2016	1	1	0
	2017	1	1	0
	2018	1	2	+1
Total Outlets	2016	2	3	+1
	2017	3	6	+3
	2018	6	11	+5

± We do not own any Zoom Businesses. These outlets are owned and operated by our affiliate, Zoom Sewer & Drain.

Table No. 2
Transfer of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2016 to 2018

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Florida	2016	0
	2017	0
	2018	0
Maine	2016	0
	2017	0
	2018	0
Maryland	2016	0
	2017	0
	2018	0
Nebraska	2016	0
	2017	0
	2018	0
New York	2016	0
	2017	0
	2018	0

Column 1 State	Column 2 Year	Column 3 Number of Transfers
New Jersey	2016	0
	2017	0
	2018	0
Pennsylvania	2016	0
	2017	0
	2018	0
Utah	2016	0
	2017	0
	2018	0
Washington	2016	0
	2017	0
	2018	0
Total	2016	0
	2017	0
	2018	0

Table No. 3
Status of Franchised Outlets
For years 2016 to 2018

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations-Other Reasons	Column 9 Outlets at End of the Year
Florida	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
Maine	2016	0	1	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
Maryland	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
Nebraska	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
New Jersey	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	2	0	0	0	0	2
New York	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations-Other Reasons	Column 9 Outlets at End of the Year
Pennsylvania	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	1	0	0
Utah	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
Washington	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
Total	2016	1	1	0	0	0	0	2
	2017	2	3	0	0	0	0	5
	2018	5	5	0	0	1	0	9

Table No. 4
Status of Company-Owned Outlets
For years 2016 to 2018

Column 1 State	Column 2 Year	Column 3 Outlets at Start of the Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired From Franchisee	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisee	Column 8 Outlets at End of the Year
Pennsylvania	2016	1	0	0	0	0	1
	2017	1	0	0	0	0	1
	2018	1	0	1	0	0	2
Total±	2016	1	0	0	0	0	1
	2017	1	0	0	0	0	1
	2018	1	0	1	0	0	2

± We do not own any Zoom Businesses. These outlets are owned and operated by our affiliate, Zoom Sewer & Drain.

Table No. 5
Projected Openings As of December 31, 2018

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlet In The Next Fiscal Year	Column 4 Projected New Company-Owned Outlet In the Next Fiscal Year
Arizona	0	1	0
Georgia	0	1	0
California	0	2	0
Illinois	0	1	0
Pennsylvania	0	0	1
Texas	0	1	0
Total	0	6	1

Exhibit D lists the names, addresses and telephone numbers of all of our operating franchisees. **Exhibit D** also lists the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled, not renewed, transferred or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, we have not signed confidentiality clauses with any former franchisees that would restrict them from speaking openly with you about their experience with us.

There are no trademark-specific franchisee organizations associated with the franchise system at this time.

ITEM 21 FINANCIAL STATEMENTS

Our fiscal year end is December 31.

Attached to this disclosure document as **Exhibit E** are our audited financial statements as of December 31, 2018, 2017 and 2016.

ITEM 22 CONTRACTS

The following are attached to this disclosure document:

Exhibit A – Franchise Agreement
Exhibit G – Release

ITEM 23 RECEIPTS

See **Exhibit H**.

EXHIBIT A

FRANCHISE AGREEMENT

ZOOM FRANCHISE COMPANY, LLC

FRANCHISE AGREEMENT

____

Franchisee

____

Date of Agreement

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ZOOM FRANCHISE COMPANY, LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT is entered into this _________ day of _______, 20___, by and between ZOOM FRANCHISE COMPANY, LLC ("**we**", **us**," or "**our**"), located at 915 South Trooper Road, Norristown, PA 19403, and ______________________________, a ___________ ("**you**" or "**your**") located at ____, who in consideration of the mutual promises set forth below, agree as follows:

1. Nature and Scope of Agreement

1.1 ***The Franchisor.*** We have developed and refined the method of operating a business that provides drain cleaning and sewer inspections, maintenance, repair and replacement work for residential and commercial customers. We offer franchises to operate a Zoom Business using the Marks and the System.

1.2 ***The Franchisee.*** You have independently investigated the business risks involved and such other matters as you deem important, including current and potential market conditions and competitive factors and risks, have read our Franchise Disclosure Document, and have not relied on any representations not set forth in this Agreement. You recognize the benefits from being identified with and licensed by us and desire a franchise to establish and operate a Zoom Business using the Marks and System, and we are willing to grant you such a franchise, on the terms and conditions in this Agreement.

2. Definitions, Representations and Owners' Guaranty

2.1 ***Definitions.*** In addition to such terms as may be defined elsewhere in this Agreement, in this Agreement, the following terms shall have the meanings as set forth below:

2.1.1 "**Affiliates**" means, individually or collectively, any and all entities controlling, controlled by, or under common ownership with us or you.

2.1.2 "**Commence Operating**" means, with respect to the Franchised Business or any particular Additional Location, the date you first perform or are able to perform the Services under the Marks to customers in your Protected Territory, which date(s) will be set forth in our notice(s) of approval delivered pursuant to Sections 5.4 and 5.5.

2.1.3 "**Competitive Business**" means any business that engages in, owns, invests in, manages or controls any business providing drain cleaning and sewer inspections, maintenance, repair and replacement work, that are similar to or the same as the Services (as defined below), other than another Zoom Business.

2.1.4 "**Confidential Information**" means all trade secrets, equipment and material, methods, techniques, formulas, contracts, customer lists, customer information, suppliers, supplier lists, pricing, marketing, computer programs, products, skills, performance specifications, technical and financial information and results, and other information and know-how relating to the System, or relating to or useful in our business, the Franchised Business or other Zoom Businesses, including the Manual (as hereinafter defined).

2.1.5 "**Franchised Business**" means the Zoom Business that you will operate under the Marks and System and in accordance with the provisions of this Agreement.

2.1.6 **"Manual"** means our Confidential Operations Manual, as amended by us from time to time. The Manual will be in a format determined by us (*i.e.*, in writing, on CD-ROM, via electronic media through a secure website, etc.) and includes all other supplemental bulletins, notices, revisions, modifications, or supplemental information, either in document or electronic form, concerning the System that are delivered by us or otherwise communicated to you in writing. Also included are any passwords or other digital identifications necessary to access the Manual on a website or extranet. The Manual is confidential and remains our property.

2.1.7 **"Marks"** means the service marks, trademarks, trade dress, trade names and all configurations and derivations thereof, as may presently exist, or which may be modified, changed or acquired by us or our Affiliates in connection with the operation of the Franchised Business contemplated by this Agreement. The Marks currently include "Zoom", "Zoom Drain", "Zoom-Jetting", "Fast. Fixed. Zoom.", "Fast. Focused. Zoom", "Fast. Focused. Fixed", and the Zoom Vortex design.

2.1.8 **"National Accounts"** means those accounts with more than one location covered by an agreement for Services that are not all located solely in the territory of one franchisee.

2.1.9 **"Net Sales"** means the total amount of all sales of products and services sold from, through or in connection with the Franchised Business, whether for cash, on credit, barter or otherwise, exclusive of applicable sales, use or service taxes, and <u>less</u> bona fide refunds to customers and customer discounts.

2.1.10 **"Principal Owner"** means you, if you are a sole proprietor, the majority shareholder of you, if you are a corporation, a partner owning a majority interest of you, if you are a partnership, or a member owning the majority interest of you, if you are a limited liability company. In the event there are multiple owners with equal interest in you, then you will designate one of these owners to be the Principal Owner for purposes of this Agreement.

2.1.11 **"Services"** means the types of services that you are permitted and/or required to perform in the operation of the Franchised Business. At the present time, such Services consist of providing drain cleaning and sewer inspections, maintenance, repair and replacement work for residential and commercial customers. We reserve the right to modify, change and add to the types of Services that may be provided by the Franchised Businesses, from time to time, and the right to include the use and/or sale of certain products in connection with the provision of such Services.

2.1.12 **"System"** means the specially developed method of operating a business that provides drain cleaning and sewer inspections, maintenance, repair and replacement services to residential and commercial customers under the Marks, using certain business formats, methods, procedures designs, marketing and sales procedures, and the standards and specification which may be changed, improved, modified and further developed by us or our Affiliates from time to time.

2.1.13 **"Term"** means, individually or collectively, the Initial Term, any Continuation Term and any Renewal Term of this Agreement.

2.1.14 **"Transfer"** means and includes any voluntary or involuntary, direct or indirect, assignment, sale, gift, conveyance, lease or other disposition of an interest in this Agreement, you or the Franchised Business, including: (a) a transfer of any capital stock, partnership interest, limited liability company interest or other ownership interest; (b) a merger, consolidation, reorganization, business combination or other issuance of additional stock or ownership interests; (c) a transfer in bankruptcy or dissolution of marriage or otherwise by operation of law or by order of court; (d) a transfer to a personal representative upon the disability of, or transfer upon the death of, a Principal Owner; (e) the grant or creation of any lien or encumbrance on any ownership interest or asset; (f) the grant of any option, call, warrant, conversion rights or rights to acquire any equity or voting interest; (g) an assignment of contract rights; (h) a sale of assets (including the inventory, furniture, fixtures, equipment and other operating assets of the Franchised Business, other than in ordinary course of business); or (i) any change in the or management of the Franchised Business.

2.1.15 **"You"** shall be deemed to include: (a) those persons owning any interest in you if you are a corporation or a limited liability company; (b) all partners owning any partnership interest in you if you are a partnership; (c) the individual who owns you if you are a sole proprietorship; (d) the guarantors of this Agreement; and (e) the Principal Owner. For purposes of determining ownership in you, the interests owned by a husband and wife will be considered one interest, and both husband and wife will be obligated hereunder, regardless of whether the interest is owned by just one spouse or both spouses.

2.1.16 **"Vehicle(s)"** mean any trucks you use in your Franchised Business.

2.1.17 **"Zoom Business"** means any business operating under the Marks and System, whether owned by us or our Affiliates, or the franchisees or licenses of us or our Affiliates.

2.2 ***Representations and Warranties.*** You hereby represent and warrant to us as follows:

2.2.1 You are acquiring this franchise for your own account for the operation of a Franchised Business, and not for the purpose of resale or redistribution or other speculative matter;

2.2.2 All information you provided to us in your application and other documents to induce us to grant this franchise was true, correct, complete and accurate as of the date made, and, as of the date of this Agreement, no material change has occurred in such information;

2.2.3 The execution, delivery and performance of this Agreement by you, and the Guaranty and Assumption of Obligations by the guarantors, do not and will not violate, conflict with or result in the breach of any term, condition or provision of any contract or agreement, or require the consent of any other person or entity;

2.2.4 If you are an entity, you are duly organized and validly existing, are qualified to do business in each state where you are or will conduct business, and are duly authorized to execute and deliver this Agreement and perform your obligations pursuant to this Agreement; and

2.2.5 This Agreement represents a valid, binding obligation of you and each of your Owners (as defined below). Each of your Owners has fully read this Agreement and our Franchise Disclosure Document, and each Owner represents that he/she is capable of complying with all of the terms of this Agreement and the Owner's Guaranty.

2.3 ***Owner's Guaranty/Owner's Acknowledgment.*** If you are an entity, each of your Owners must execute an Agreement to Comply with Certain Undertakings of Franchisee in our favor as provided in **Exhibit 1** and deliver the executed Agreement to Comply with Certain Undertakings of Franchisee to us concurrently with execution of this Agreement, or if such ownership interest is acquired later, within 10 days after obtaining the interest as an Owner. All Owners also must sign the Owner's Acknowledgment which follows the signature block of this Agreement.

3. Scope of License

3.1 *Grant of Franchise.*

3.1.1 Subject to the provisions of this Agreement, we grant to you the non-exclusive right to use the System and Marks to open and operate one Franchised Business. We will grant you a protected territory, as set forth in **Exhibit 2** attached hereto, within which you will operate the Franchised Business (**"Protected Territory"**). You will maintain all rights to the Protected Territory subject to the terms and conditions of this Agreement. You hereby accept such grant and agree to operate one Franchised Business in accordance with the System under the Marks at and only at the Approved Location set forth on **Exhibit 2** and to exert continuously your best efforts to promote and enhance the operation of the Franchised Business and the goodwill associated with the Marks. If we consent to a relocation of the Franchised Business (whether of the Approved Location or any Additional Location), we have the right to charge you for the expenses we incur in connection with the relocation.

3.1.2 In order to operate a Franchised Business at locations in addition to the Approved Location in the Protected Territory (each an **"Additional Location"**), you and we will sign a separate Schedule set forth in **Exhibit 3** (**"Additional Site Schedule"**) for each Additional Location and pay an Additional Location Fee of $2,000. The term **"Franchised Business"** includes the Approved Location and all Additional Locations, if any. The conditions under which we will execute an Additional Site Schedule are as follows: (i) you are in compliance with the terms of this Agreement; (ii) the Additional Location is within your Protected Territory and does not encroach upon the protected territory of any other Zoom Business; and (iii) we, in our reasonable judgment, believe you have sufficient financial resources and other ability (including, but not limited to, experience, character, skill, aptitude, attitude, and business acumen sufficient to operate multiple locations) to properly develop and operate the proposed Additional Location. We may take into account, among other things, your past performance and financial success of your existing Approved Location and Additional Locations. In order to assist us in making this determination, you agree to provide us the financial and other information we request regarding your existing Approved Location and Additional Locations, as well as information we request relating to the proposed Additional Location. Our approval, however, is not deemed to be a warranty of your financial or other ability to develop and operate the proposed Additional Location.

3.2 *Territorial Rights And Obligations*. Provided you are not in default under the terms of this Agreement and subject to Sections 3.3, 3.4 and 3.5 below, neither we nor our Affiliates will operate, nor grant a franchise for the operation of, any Zoom Business within the Protected Territory. You will conduct and operate the Franchised Business and provide Services only to customers located within the Protected Territory. Notwithstanding the foregoing, upon our prior written approval, which approval may be withheld in our sole discretion, you may provide Services to customers situated outside your Protected Territory so long as such customers are not located in the protected territory of another Zoom Business. You acknowledge that you have no territorial protection to do so. Once a customer outside your Protected Territory is in your data base, you may continue to service them if you have a Maintenance Agreement with that customer even if the area is developed later by another franchisee. All such sales are subject to your Royalty Fees and Marketing Fees. Otherwise, upon our establishing a Zoom Business in such area, which we are free to do at any time, you must immediately stop servicing such customers located in that area and refer the customer to the new Zoom Business. You are not entitled to receive any compensation for this referral.

3.3 ***Minimum Business Growth***. In order for you to retain the rights to the Protected Territory, beginning in the 4th year of the Initial Term, you must annually achieve at least a 1:1 ratio between Net Sales and the total population in your Protected Territory (**"Minimum Growth Requirements"**). The total population in your Protected Territory is described in Exhibit 2 attached hereto. If you fail to achieve the Minimum Growth Requirement in any year during the Term (after the 3rd year of the Initial Term), we reserve the right to either reduce the size of your Protected Territory or to terminate this Agreement by written notice to you.

3.4 ***Reservation Of Rights***. We, on our and our Affiliates' behalf, reserve all rights not specifically granted to you pursuant to this Agreement, including but not limited to the following:

3.4.1 (i) The right to own or operate, or license others to own or operate, Zoom Businesses anywhere outside of your Protected Territory; (ii) the right to operate or license others the right to operate similar businesses or any other businesses under trademarks or service marks other than the Marks in any location, both inside or outside of your Protected Territory; (iii) the right to operate or license others to operate businesses that are not the same as a Zoom Business under the Marks in any location, both inside or outside of your Protected Territory; and (iv) the right to offer any products or services (including the products and services you offer at your Franchised Business) through other channels of distribution (including the Internet, social media, print catalogues and direct marketing media) both inside and outside of your Protected Territory. We are not required to pay you if we exercise any of the rights specified above inside your Protected Territory;

3.4.2 The right, now or in the future, to purchase, merge, acquire, be acquired or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses under the Marks or any other marks following the purchase, merger, acquisition or affiliation, regardless of the location of these businesses (which you acknowledges may be within the Protected Territory); and

3.4.3 The right to sell ourselves, our assets, the Marks and/or the System to a third party; go public; engage in a private placement of some or all of our securities; merge, acquire other corporations or entities, or be acquired by another corporation or entity; and/or undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. If we assign our rights in this Agreement, we do not need to remain in this type of business or to offer or sell any products or services to you.

3.5 ***National Accounts***. We may develop National Accounts from time to time, and you may develop accounts that may qualify as a National Account. National Accounts obtained by you for Services outside the Protected Territory must be referred to us and shall be treated as a National Account; however, we reserve the right to reject any such account in our sole judgment and discretion. National Accounts will be negotiated solely by us or our Affiliates, even if the National Account was procured by you. All National Accounts will be deemed to be our property and you will have no claim to such National Account. Any information supplied to us by you regarding National Accounts, and supplemental information as may be required by us may be disseminated to other Zoom Businesses that may provide Services to those accounts. You agree that providing account information to such other Zoom Businesses is in the best interest of the System as a whole and for enhancement of opportunities of all within the System.

If one or more locations of a National Account fall within your Protected Territory, we will first offer you the opportunity to provide Services for said locations on the terms and conditions that we have established with such National Account. You are not required to service a National Account, and if you refuse or fail to accept such offer in the manner and within the time period that we specify, we have the right to service the account ourselves, or to authorize other Zoom Businesses, or our Affiliate-owned businesses, to provide such Services without any compensation to you. However, the decision to accept you as a provider of Services for the National Account will ultimately rest with the National Account. You acknowledge that if the National Account refuses to accept Services from you, then we shall be free to offer the opportunity to provide Services to the National Account within the Protected Territory to other Zoom Businesses or our Affiliate-owned businesses.

4. Term of Franchise Agreement and Renewal

4.1 ***Term***. The initial term of this Agreement will be for a period of 10 years from the date of execution of this Agreement, unless sooner terminated in accordance with this Agreement (the "**Initial Term**").

4.2 ***Continuation Term***. If you continue to operate the Franchised Business with our express or implied consent following the expiration of the Term of this Agreement, the continuation will be a month-to-month extension of this Agreement, unless otherwise agreed in writing ("**Continuation Term**"). All provisions of this Agreement will apply while you continue to operate the Franchised Business during the Continuation Term. The Continuation Term of this Agreement will then be terminable by either party on 30 days' prior written notice to the other party.

4.3 ***Your Right To Renew***. Upon expiration of the Initial Term of this Agreement, you have the right to renew up to 4 times for additional successive terms of 10 years on each renewal (each a "**Renewal Term**"), subject to the following for each Renewal Term:

4.3.1 You have notified us in writing a minimum of 180 days prior to the expiration of the Initial Term or the then ending Renewal Term (as the case may be) of your desire to renew this Agreement;

4.3.2 You have substantially complied with all provisions of this Agreement, and replace, refurbish, rewrap and/or reequip, any equipment, Vehicles and materials utilized in the operation of the Franchised Business, in compliance with the specifications outlined in the then current franchise agreement and Manual for Zoom Businesses;

4.3.3 You and your owners execute the then-current form of our franchise agreement and any ancillary agreements (with appropriate modifications to reflect the fact that the Agreement relates to the grant of a renewal franchise). The then-current form of the franchise agreement and ancillary agreements may contain significantly different terms than this Agreement;

4.3.4 To the extent permitted by applicable law, you and your owners execute general releases in a form satisfactory to us, of any and all claims against us and our Affiliates, and ours and their owners, officers, directors, employees and agents; and

4.3.5 You pay us a renewal fee equal to 25% of the then-current Initial Franchise Fee.

5. Location and Business Site

5.1 ***Location***. You must operate your Franchised Business at and only at the location within the Protected Territory that is described on **Exhibit 2** (**"Approved Location"**) and any Additional Location. You may operate out of the Principal Owner's home only if the Principal Owner is in compliance with all zoning regulations and if your facility is significantly separated from the living quarters. Otherwise, you must operate from another owned or leased facility. You may not change the Approved Location or any Additional Location without our prior written approval, which we may grant or withhold in our sole discretion.

5.2 ***Site Criteria***. Your business site and its layout, including your communications systems, which are subject to our approval, must meet our criteria described in the Manual. Your business site must comply with local zoning, business, permitting and licensing requirements.

5.3 ***Our Approval of Site***. You must submit a proposed site to us for approval. We will have 30 days from receipt of the materials relating to the proposed site to approve or disapprove the site. We will not unreasonably withhold our approval of a proposed site. Our approval of your business site only means that we believe that the business site falls within our then current criteria. You acknowledge that your selection of a business site is based on your own independent investigation of its suitability and that our approval is not a guarantee or promise of success.

5.4 ***Construction/Commencement***. For a newly developed Approved Location or Additional Location, you are solely responsible for obtaining all necessary financing and constructing the business site as a Franchised Business in accordance with the layout and other criteria described in our Manual or in other written communications by us. For any newly developed Approved Location, all construction work must be completed and the Franchised Business at the Approved Location must Commence Operating within 120 days after this Agreement is signed. For any newly developed Additional Location, all construction work must be completed and the Franchised Business at the Additional Location must Commence Operating within 120 days after the applicable Additional Site Schedule is signed. You may not Commence Operating your Franchised Business at the Approved Location or any Additional Location until we provide our written notice of approval.

5.5 ***Conversion Business***. For an Approved Location or Additional Location which is converted to a Franchised Business, you are solely responsible for obtaining all necessary financing and converting the business site as a Franchised Business in accordance with the layout and other criteria described in our Manual or in other written communications by us. For any converted Franchised Business operated at an Approved Location, all conversion work must be completed and the Franchised Business at the Approved Location must Commence Operating within 90 days after this Agreement is signed. For any converted Franchised Business operated at an Additional Location, all conversion work must be completed and the Franchised Business at the Additional Location must Commence Operating within 90 days after the applicable Additional Site Schedule is signed. You may not Commence Operating your Franchised Business at the Approved Location or any Additional Location until we provide our written notice of approval.

5.6 ***Existing Business***. In our sole discretion, we may permit you to add the Zoom Business to an existing service business that provides related services we determine might provide strategic advantages. In such event, you will set up an affiliate entity to be the franchisee and sign a "Plus Play Addendum" which is found in **Exhibit 5** of this Franchise Agreement at the same time you sign this Agreement.

5.7 ***Maintenance, Appearance and Remodeling***. You must maintain the business site of the Franchised Business and its appearance in accordance with our standards which we will communicate to you from time to time in the Manual, or by other written or electronic communications. We may require you periodically to add new equipment or Vehicles, or replace obsolete equipment or Vehicles, used in the Franchised Business.

6. Fees and Payments

6.1 ***Initial Franchise Fee***. You must pay us an initial franchise fee (**"Initial Franchise Fee"**) when you sign this Agreement. The amount of the Initial Franchise Fee is Thirty Five Thousand Dollars ($35,000). The Initial Franchise Fee is fully earned when paid and is not refundable under any circumstances.

6.2 ***Royalty Fee***. You are required to pay us a Royalty Fee of 5% of Net Sales (**"Royalty Fees"**). The Royalty Fee is payable on the 3rd day and 19th day of the month (each a **"Payment Date"**). The Royalty Fee payable on the 3rd day of the month is based on the Net Sales made from the 16th day to through the last day of the prior month, and the Royalty Fee payable on the 19th day of the month based on the Net Sales made from the first day to the 15th day of that month (each a **"Payment Period"**). We reserve the right from time to time, on not less than 30 days' written notice to you, to change the Payment Date and Payment Period from time to time.

6.3 ***Marketing Fee***. Once we establish a Marketing Fund, you must pay us a semi-monthly marketing fee on Net Sales in an amount we designate (the **"Marketing Fee"**), which will be deposited into the Marketing Fund (as defined below). The Marketing Fee will be payable on each Payment Date based on Net Sales from the preceding Payment Period starting at the later of the date we establish a Marketing Fund, or the date you complete Zoom Zip Team initial training.

6.4 ***Call Center Fee***. If we establish a call center to answer your customers' telephone calls and to schedule appointments (**"Call Center"**), we may charge a fee (the **"Call Center Fee"**) of up to $25 per scheduled appointment. The Call Center Fee will be payable on each Payment Date based on the number of appointments we schedule for you through the Call Center during the preceding Payment Period.

6.5 ***Technology Fee***. You must pay us a monthly Technology Fee (**"Technology Fee"**) during the term of the Agreement. The Technology Fee is due on the 3rd day of each month during the term beginning on the first month after you sign this Agreement. Currently, the Technology Fee is $500 per month. We reserve the right to increase the Technology Fee upon no less than 30 days' notice to you.

6.6 ***Webpage Development and Optimization Fee***. You must pay us or our designated vendor a monthly Webpage Development and Optimization Fee (**"Webpage Development and Optimization Fee"**) during the remaining term of the Agreement. Currently, the Webpage Development and Optimization Fee is $695 per month and is due to us on the 3rd day of each month during the term beginning in the first month after you sign this Agreement. We reserve the right to change service providers and/or to require you to pay this fee directly to the approved vendor. We will alert you promptly upon our receipt of notice from the vendor of any increases in this fee or of our determination to require you to pay the vendor directly. If you are required to pay the vendor directly, the date on which payments are due may change.

6.7 ***Method of Payment***. Royalty Fees, Marketing Fees, Call Center Fees, Technology Fees, Webpage Development and Optimization Fees (if paid to us), and any other periodic fees we may charge under this Agreement will be paid in the manner, and with the inclusion of such reports and documentation, as we may require, which may include credit card payments or electronic funds transfers ("**EFT**"). Any payment or report not received by us on or before its due date shall be deemed overdue. You must comply with the procedures specified in the Manual or as otherwise communicated for any EFT program, and you must perform the acts and sign the documents, including authorization forms that we, your bank and our bank may require to provide payment by EFT, including authorizations for us to initiate debit entries and/or credit correction entries to a designated checking or savings account for payments of these fees and other amounts, including interest payable to you. In addition, you must pay all costs associated with utilizing any payment program established by us. You are also responsible for all credit card fees.

6.8 ***Taxes and Assessments***. You agree to indemnify and/or reimburse us and our Affiliates for all capital, gross receipts, sales, and other taxes and assessments imposed by any applicable governmental authority as a result of the conduct of the Franchised Business or the license of any of our or our Affiliates' intangible property to you (whether required to be paid by us or our Affiliates, withheld by you or otherwise). Your obligation to indemnify or reimburse us or our Affiliates for these taxes does not extend to income-type taxes which are imposed on us or our Affiliates' income.

6.9 ***Past Due Service Charge***. Royalty Fees, Marketing Fees, Technology Fees, Webpage Development and Optimization Fees (if paid to us) and other amounts which you owe to us will bear a service charge after their respective due dates at the lesser of 1½% per month or the highest applicable legal rate in the state in which the Protected Territory is predominantly located. You acknowledge that the foregoing does not constitute our agreement to accept payments after same are due or a commitment by us to extend credit to, or otherwise finance your operation of the Franchised Business. Our right to past due service charge is in addition to any other remedies that we may have.

6.10 ***Application Of Payments***. We have the sole discretion to apply any payments by you to any past due indebtedness of yours for Royalty Fees, Marketing Fees, Technology Fees, Webpage Development and Optimization Fees (if paid to us) purchases from us or our Affiliates, past due service charges, interest or any other indebtedness owed by you to us or our Affiliates.

6.11 ***No Right Of Offset***. You agree to make prompt payment, without deduction or set-off, of all charges which are properly due, including the Royalty Fees, Marketing Fees Technology Fees and Webpage Development and Optimization Fees (if paid to us). You cannot withhold any payment to us or our Affiliates on the grounds of non-performance by us of any of our obligations hereunder.

6.12 ***Under-Reporting***. If it is found that you under-reported Net Sales, you will reimburse us for the amount of the fees set forth above that would have been due had Net Sales been reported accurately, plus interest. In addition, if the amount of Net Sales reported for any calendar year are less than 98% of the actual Net Sales for that period, you agree to reimburse us for all costs of the investigation or audit that uncovered the under-reported sales, including salaries, professional fees, travel, meals and lodging. The foregoing remedies are in addition to all other remedies and rights we have under this Agreement or under applicable law. These obligations survive the termination or expiration of this Agreement.

7. Our Obligations

7.1 ***Initial Training Program***. Before you Commence Operating the Franchised Business, your Principal Owner must attend and satisfactorily complete our Zoom Zip initial training program. Zoom Zip training is provided in two phases, one at your Approved Location and one at our headquarters of an approved Zoom Business location. In the event you or your owners have an ownership interest in an entity that currently operates another Zoom Business, we will provide such initial training program and on-site training only if we deem it necessary. The Zoom Zip initial training program will be provided at no charge to you and up to 3 additional people. However, you are responsible for any salary, travel and living expenses that your Principal Owner incurs during training. If your Principal Owner fails to satisfactorily complete the initial training program, we may treat such failure as a material default under this Agreement.

7.2 ***Subsequent Training.*** We may offer refresher programs to you, your Principal Owner or your experienced employees. We reserve the right to designate certain training programs or meetings as mandatory and to treat your failure to have a representative attend as a material breach of this Agreement. We are permitted to charge a reasonable fee for any subsequent training or meetings we may offer or require. You must pay the compensation of the trainees as well as such trainees' travel and living expenses during any subsequent training.

7.3 ***Continuing Advisory Assistance.*** We may make available continuing advisory assistance in the operation of the Franchised Business, rendered in such manner and available from time to time, as we may deem appropriate. If we send our representatives to your Franchised Business to provide assistance, we reserve the right to charge a reasonable fee for this type of assistance.

7.4 ***Pricing.*** We may from time to time suggest or establish the prices or range of prices, and terms and conditions of sale, for products and Services you offer. You are required, if permitted by applicable law, to follow these suggested or established prices in operating the Franchised Business.

8. Your Obligations

8.1 ***Operation of Business.*** You must operate the Franchised Business in conformity with all uniform methods, standards and specifications as we may from time to time prescribe in the Manual or as contained in other written instructions, to ensure that the highest degree of quality and service is uniformly maintained. Among other requirements, we require clean shop locations and adherence to our Manual shop layout and software requirements. You must maintain your Vehicle and all equipment in the highest degree of cleanliness, sanitation and repair in accordance with the Manual. You may not make material alterations, additions, replacements or improvements to your Franchised Business without our consent.

8.2 ***Authorized Services.*** The reputation and goodwill of Zoom Businesses are based upon, and can be maintained and enhanced only by, the furnishing of high quality Services. We provide to you during the Zoom Zip training program and through the Manual with a list of the Services which are required and authorized to be offered by your Franchised Businesses. We may add products and additional Services or change products or Services which you may, in our sole discretion, be required to offer. You agree that you will offer all Services required for Zoom Businesses and will not, without our prior written approval, offer any type of service or sell any product or service that we do not authorize for your Franchised Business. We may develop additional programs and services that, upon written notice from us, you must offer.

8.3 ***Optional Products and Services.*** We may develop new products and services that we deem optional. You may offer your customers such optional products and services in your sole discretion. If you wish to offer such optional services, prior to offering the optional services, you must give us 30 days' prior written notice and must conform to all standards and specifications set forth in the Manual for such optional services, including taking additional training and possibly purchasing additional equipment.

8.4 ***Approved Supplies And Approved Suppliers.*** You must purchase products, services, supplies, equipment and materials for the operation of your Franchised Business that meet our specifications. You must purchase all products, services, supplies, equipment and materials required for the operation of the Franchised Business from manufacturers, suppliers or distributors designated by us, or from other suppliers that we approve who meet our specifications.

Specification of a supplier may be conditioned on requirements relating to, among other things, length of time the supplier has conducted business, quality of products, frequency of delivery, standards of services, including prompt attention to complaints, as well as payments, contribution, or other consideration to us, our Affiliates or the Marketing Fund, if any, and may be temporary, in each case in our reasonable discretion. We may from time-to-time withhold, condition and/or revoke our approval of particular items or suppliers in our reasonable discretion. We or our Affiliates may receive rebates, commissions and other benefits from suppliers in relation to items purchased by you and other franchisees. We have the right to condition or revoke your right to participate in any supplier programs if you are in default under this Agreement.

If you wish to purchase or lease any goods, products, equipment, supplies or use suppliers that are not approved by us as meeting our specifications, you must first notify us. We may require you to submit sufficient photographs, drawings and/or other information and samples to determine whether these goods, products, equipment, supplies or suppliers meet our specifications. Our standards and specifications may impose minimum requirements for delivery, performance, design and appearance. Generally, we will advise you within a 30-day period whether these goods, products, equipment, supplies or suppliers meet our specifications. We may require samples from alternate suppliers or vendors to be delivered to us or to a designated independent testing laboratory (or other place we determine) for testing before approval and use. We may also require you to pay a charge not to exceed the actual cost of the test made by us or by an independent testing laboratory designated by us.

8.5 ***Computer System/Office Equipment.*** You must acquire and use in the Franchised Business a computer system, including monitors, hardware and software, of a type that we may designate from time to time that is compatible with the software or other required system designated for use by our franchisees generally from time to time. You must also acquire and use the office equipment and accounting platform that we may designate for use by franchisees from time to time. You must agree to any terms of use or other agreement imposed, and pay any license or maintenance fees that we or an approved supplier of the software may charge, for the use of such software. Currently, you agree to execute the ServiceTitan Acknowledgment attached as **Exhibit 7**. You must implement and have fully operational the software system we may designate by the date you Commence Operating the Franchised Business. At your sole expense, you must maintain and upgrade your computer system, including software, to meet our requirements from time to time.

8.6 ***Vehicles.*** We have the right to require that your Vehicles be of a certain make, model and age. Currently, you must own, lease or buy at least 1 pick-up truck and 2 service trucks for your Approved Location and at least 1 pick-up truck and 2 service trucks for each Additional Location you operate in connection with your Franchised Business. Unless otherwise approved by us in writing, you must acquire new Vehicles. The trucks are to be built and laid out according to the specifications set forth in the Manual or otherwise communicated and must be able to accommodate the basic inventory list, including shelving. You must use the Vehicles when performing all Services for the Franchised Business. The exterior and interior of each Vehicle must be designed and maintained according to our minimum specifications, as specified in the Manual or otherwise communicated. We do not represent or warrant that these minimum standards meet applicable legal and safety standards. It is your responsibility to ensure the Vehicles complies with all legal and safety standards at all times. You must properly maintain the Vehicles so that it is, at all times, clean, safe, reliable, and functional for its intended use and purpose and in accordance with applicable law. You must not transfer any Vehicles without first removing all of the Marks.

You are required to have a full vehicle wrap for the Vehicles, which must also be painted as we specify. You must also incorporate our specified truck designs, including shelving. In order to maintain the high quality of the Marks, logos, designs and wraps associated with the System, you must have the Vehicles re-wrapped, refurbished and maintained, at your expense. You will not have to re-wrap the Vehicles until the 4th year after you sign this Agreement (other than as a result of damage to the wrapping beyond normal wear and tear). Otherwise, you will have to re-wrap, refurbish and maintain the Vehicles as we determine in our sole discretion (typically every 2 to 3 years), in order to conform with the then-current signage, logos, design or graphic wrap associated with Zoom Businesses.

8.7 ***Specifications, Standards And Procedures.*** We endeavor to maintain high standards of quality and service by all Zoom Businesses. To this end, you agree to cooperate with us by maintaining high standards in the operation of your Franchised Business. You must comply with all of the procedures and systems we institute both now and in the future, including those relating to the Services you offer in connection with the Franchised Business, computer software and hardware requirements, terms and conditions of use of our website, good business practices, advertising and other obligations and restrictions set forth in this Agreement, the Manual (as may be amended from time to time) or otherwise in writing.

8.8 ***Compliance With Laws and Good Business Practices.*** You must secure and maintain in force in your name all required licenses, permits and certificates relating to the operation of the Franchised Business. You must operate the Franchised Business in full compliance with all applicable laws, ordinances and regulations, including but not limited to OSHA, health and sanitation laws and commercial vehicle licensure laws. All of your advertising and promotion by must be completely factual and must conform to the highest standard of ethical advertising. You must, in all dealings with your customers, suppliers, us and the public, adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You agree to refrain from any business or advertising practice which may be injurious to our business or the goodwill associated with the System, the Marks, and other Zoom Businesses.

8.9 ***Insurance.*** You must purchase, and at all times during the Term of this Agreement, maintain in full force and effect, policies of insurance for and in respect of the Franchised Business in such amounts and with such coverages as we reasonably require as set forth in the Manual, including, without limitation, (a) commercial general and product liability insurance, (b) all risk property insurance, including fire and extended coverage, vandalism and malicious mischief insurance for the replacement value of the Franchised Business and its contents, and (c) any other insurance policies, such as business interruption, automobile and unemployment and workers compensation issuance, as we may specify from time to time in the Manual. All such policies must be issued by carriers we approve and contain all the types and minimum coverages, exclusions and maximum deductibles as provided in the Manual. In all such policies of insurance, we and our affiliates must be named as an additional insureds and all such policies must provide that we will be sent duplicate copies of all documentation and correspondence from the insurer. You must, at least 14 days prior to the date you Commence Operating the Franchised Business, provide us with a certificate of coverage issued by the insurer indicating that all required insurance is in full force and effect and that it will not be terminated, permitted to lapse, expire or be changed without at least 30 days' prior written notice to us. In the event that you do not maintain such insurance as required, we may obtain such insurance from an insurer we select and keep the same in full force and effect at your sole expense. In such event, you must promptly reimburse us for the cost of such insurance upon receipt of an invoice therefor. At your option and sole cost, you may participate in any group or blanket insurance program which we may establish from time to time for its franchisees.

8.10 ***Confidential Manual.*** We will provide you, for the duration of the Term, with access to the Manual. You agree that you must comply with the mandatory requirements in the Manual and that such compliance is an essential part of your obligations under this Agreement. You must, at all times, be responsible for ensuring that your employees and all other persons under your control comply with the mandatory provisions of the Manual in all respects. The Manual will constitute our Confidential Information and shall remain our property. The Manual cannot be photocopied, reproduced or disseminated without our written consent. The Manual may be modified from time to time by us in our sole discretion, and you agree that from time to time we may reasonably change the System. You expressly agree to comply with each modification, addition or deletion of the System or Manual at your sole cost and expense. You acknowledge that such changes may be necessary and may involve the expenditure of substantial sums of money by you. We agree to impose such requirements and changes in a reasonable, non-discriminatory manner among other franchisees. You must at all times insure your copy of the Manual is kept current and up-to-date. In the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by us shall be controlling.

Because complete and detailed uniformity under many varying conditions may not be possible or practical, we specifically reserve the right and privilege, in our sole discretion and as we may deem to be in the best interests of all concerned in any specific instance, to vary standards for any franchisee based upon the peculiarities of a particular territory, density of population, business potential, business practice or other condition important to the successful operation of such franchise owner's business. We may grant variations from standard specifications and practices as we determine in our sole discretion, and we shall have no obligation to grant other franchisees like or similar variations.

8.11 ***Innovations.*** All ideas, concepts, techniques, innovations, developments, improvements, suggestions or materials concerning a Zoom Business, whether or not protectable intellectual property and whether created by or for you or your owners, affiliates, employees or representatives, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the System and works made-for-hire for us. To the extent any such item does not qualify as a "work made-for-hire" for us, you must assign, or must require your owners, affiliates, employees or representatives to assign, your or their ownership interest of such item to us. You agree to take, or direct your owners, affiliates, employees or representatives to take, whatever action required by us to document such assignment or to assist us in obtaining any and all intellectual property rights in such item. However, if this provision is found to be invalid or unenforceable, you and your Owners grant to us a worldwide, perpetual, non-exclusive and fully paid license to use and sublicense the use of the idea, concept, technique, innovation, development, improvement, suggestion or material.

8.12 ***Operating the Franchised Business.*** You agree to Commence Operating the Franchised Business at the Approved Location within 90 days (if your Franchised Business at the Approved Location is converted from another business) or 120 days (if you are starting a new business at the Approved Location) after this Agreement is accepted by us. You agree to Commence Operating the Franchised Business at each Additional Location within 90 days (if your Franchised Business at the Additional Location is converted from another business) or 120 days (if you are starting a new business at the Additional Location) after the applicable Site Selection Addendum is accepted by us. You must not open or close any office nor change the location of any Approved Location or Additional Location without first notifying us. Any relocation of the Approved Location or any Additional Location must be within the Protected Territory.

8.13 ***Use of Name and System.*** You agree that during the Term you will operate, advertise and promote the Franchised Business under the name "Zoom Drain and Sewer Service" without prefix or suffix and to adopt or any other Marks we require and use the Marks and System licensed hereunder solely in the manner prescribed by us.

8.14 ***Actual Participation.*** You recognize the importance of the Principal Owner's participation in the management of the Franchised Business and that the Principal Owner's agreement to participate in the operation of the Franchised Business is a material inducement for us to enter into this Agreement. Therefore, you agree that the Principal Owner who has satisfactorily completed our Zoom Zip training program is required to use his or her best efforts and is personally responsible for the operation of the Franchised Business. In any event, the Principal Owner is required to carefully monitor and be responsible for the performance of anyone else who will provide Services in the operation of the Franchised Business. If there are any supervisory personnel, they are required to sign an agreement regarding confidentiality and covenants not to compete and non-solicitation in a form similar to the form set forth in the Manual.

8.15 ***Cooperation For Financial Performance Representations.*** You will maintain your books and records in the form and manner we require. If we at any time desire to utilize a financial performance representation or similar document in connection with the sale of franchises, you agree to provide us, at no cost, with such reasonable information as we may require in order to properly prepare such representation, and will permit us to utilize such information as we deem necessary.

8.16 ***Franchise Advisory Council.*** We reserve the right to establish an advisory council of franchisees and our representatives to provide non-binding advice to us (**"Franchise Advisory Council"**). In the event that we establish a Franchise Advisory Council, you must become a member of the Franchise Advisory Council and pay any dues which may be associated therewith. We have the right to prepare and amend the by-laws for, or to dissolve, the Franchise Advisory Council.

8.17 ***Owners of Franchisee.*** **Exhibit 4** to this Agreement must at all times completely and accurately describe all of your owners and their beneficial ownership interests in you (**"Owner(s)"**). You and your Owners must sign and deliver to us such revised **Exhibit 4** as may be necessary to reflect any permitted changes in the information contained therein within 7 days following the occurrence thereof and to furnish such other information about your organization or formation as we may request.

9. Advertising

9.1 ***Marketing Fund.*** We reserve the right to establish, maintain and administer a Marketing Fund (the **"Marketing Fund"**). You are required to pay your Marketing Fees into the Marketing Fund. We may implement a Marketing Fund by sending you written notice not less than 30 days prior to its effective date. The Marketing Fund contribution will not exceed 2% of your Net Sales. We may modify the amount of the Marketing Fund Contribution at any time on not less than 30 days' prior Notice to you. The Marketing Fund will be used to provide advertising, marketing and promotional activities we deem beneficial to the System. We agree to use the Marketing Fees received from you for the payment of costs associated with the creation, production, distribution, media placement, maintenance and upgrading of our website, and administration of local, state, regional or national advertising programs we may develop or have developed, and for any taxes incurred on these funds. The Marketing Fund is intended to maximize recognition of the Marks and the patronage of the Zoom Businesses generally. Although we will try to use the Marketing Fund to develop advertising and marketing materials and programs, and to place advertising and marketing, that will benefit all Zoom Businesses, we do not ensure that the Marketing Fund expenditures in or affecting any geographic area will be proportionate or equivalent to the Fund contributions by Zoom Businesses operating in that geographic area or that any particular Zoom Business will benefit directly or in proportion to your Marketing Fund contributions. We have the right to determine the type of advertising and the media in which it will appear, as we feel is appropriate. We have the sole right to formulate and make policy decisions concerning every aspect of the advertising, consistent with applicable law. We do not have to spend the marketing funds during any specific time period. Marketing and advertising may be handled by the outside advertising agency which we select.

The Marketing Fund is not a trust and we have no fiduciary obligation to you for administering the Marketing Fund. However, we will account for the Marketing Fund separately from our other funds. We will prepare annual unaudited statements of monies collected and costs incurred by the Marketing Fund and furnish the statements to you upon your reasonable written request. If we do not use all of the funds deposited in the Marketing Fund in a particular fiscal year, the remaining funds will be carried over to the next fiscal year and be included in that year's advertising budget. We are entitled to reimbursement from the Marketing Fund to cover our administrative and overhead expenses associated with operating the Marketing Fund. We have a contractual obligation to hold all Marketing Fund contributions for the benefit of the contributors and to use the contributions only for the purposes described above.

9.2 ***Your Own Advertising***. In addition to the Marketing Fee, you must spend at least 5% of Net Sales each calendar quarter on your own advertising. You must provide proof of your advertising and sales promotion expenditures in such form, with such detail and including copies of such advertising and materials and receipts as we request, no later than 30 days after the end of each calendar quarter. We must consent to your use of any advertising and sale promotion materials before you use them. You must submit all of your advertising and sale promotion materials to us or our designee at least 20 days prior to use. If we do not reject these materials within 20 days, we will be deemed to have consented to your use of them.

You will not advertise, or use in advertising or other form of promotion, the Marks without the appropriate copyright, trademark, and service mark symbols ("©", "®", "TM" or "SM") as we direct. You will not advertise your products or services or use the Marks on the Internet except with our prior consent.

9.3 ***Initial Advertising***. In addition to the Marketing Fee, you must conduct an initial advertising and marketing campaign during the first 6 months after you Commence Operating the Franchised Business at the Approved Location (the "**Initial Advertising**"), and you must expend not less than $15,000 per month for such purpose. The Initial Advertising will utilize the marketing and public relations programs and the media and advertising materials that we have approved. The Initial Advertising shall be conducted at the times we consider prudent. You must provide to us, within 30 days of our request, copies of all receipts and other documents we reasonably request, demonstrating your compliance with these obligations. The expenditures you make for the Initial Advertising will count towards the 5% advertising requirements set forth in Section 9.2.

9.4 ***Internet And Other Electronic Advertising***. We have established an Internet website www.ZoomDrain.com which we control. Subject to our right to consent, you may be permitted to create a social media account from which to advertise your Franchised Business on the Internet (such as on LinkedIn, Facebook or Twitter). Any such permission shall only be for such time as we permit and shall be on the terms and condition we specify from time to time in the Manual, which may restrict the content that you are permitted to post to such social media outlet. We have the right to require a modification of or cease granting you permission to develop, operate or maintain any website, mobile app or social media outlet at any time and to require you to give us administrative control and/or log-in information for any social media site you operate for the promotion of the Franchised Business. Except as otherwise provided in the Manual or otherwise in writing, you may not maintain a presence on the Internet for your Franchised Business. We retain the right to pre-approve your use of linking and framing between your web pages and all other websites. You will, within 7 days after our request, dismantle any frames and links between your web pages and any other websites. Any advertising on the Internet, delivered by facsimile, electronic mail or other electronic means shall be pre-approved by us and on terms specified by us.

10. Accounting, Reports And Financial Statements

10.1 ***Accounting And Records.*** You will maintain and preserve for at least 7 years from the dates of their preparation, full, complete and accurate books, records and accounts in the form and manner prescribed by us from time to time. You will send us annual income and expense statements within 60 days of the end of your fiscal year. You will also send us month summary reports by the 20th of each month based on the preceding monthly profit and loss statements and any other information or reports, including copies of balance sheets, copies of sales tax returns, as we may reasonably request. All reporting data will be prepared in accordance with generally accepted accounting principles, consistently applied. We also have the right to access and obtain any information which you are required to deliver to us for the Franchised Business pursuant to the terms of this Agreement directly from the systems you establish, and, to the extent we cannot or do not do so, you must transmit to us all information we request in the manner and at the times we specify.

10.2 ***Reports And Tax Returns.*** You must furnish us the following reports and documents:

10.2.1 Within 10 days of their filing, exact copies of all federal or state sales, service or value added tax returns, state financial reports, and portions of your federal and state income tax returns which reflect the operation of the Franchised Business. However, you will not be obligated to disclose confidential tax returns if such disclosure would violate applicable state law; and

10.2.2 Other periodic reports, information and supporting records as we prescribe. All reports, financial statements and information must be on forms we prescribe or approve and must be verified and signed by you.

11. Inspections And Audits

11.1 ***Our Right To Inspect.*** To determine whether you are complying with this Agreement, and/or to determine whether you are complying with all applicable specifications and quality standards in connection with your use of the System and Marks, we or our designated agents, have the right, at any reasonable time and without prior notice to you to, among other things:

11.1.1 Observe you and any employees or agents of the Franchised Business during the performance of any Services;

11.1.2 Inspect any Vehicles displaying any signage, logo, graphic or wrap associated with the Franchised Business; and

11.1.3 Contact and interview any customers of the Franchised Business.

We assume no liability to you or third parties with respect to such inspections, and you understand that the purpose of the inspections is to protect the System, Marks and goodwill arising therefrom, and not to assume any responsibility for any deficiencies or defects, etc. We may require that you furnish your customers with an evaluation form prescribed by us, pre-addressed and postage prepaid, to us. You must fully cooperate with our representatives making any inspection or observing your or any of your employees or agents' work in the Franchised Business.

11.2 ***Our Right To Audit.*** We have the right, at any time during normal business hours, to inspect and audit, or cause to be inspected and audited, the business records, bookkeeping and accounting records, sales, service, value added, and income tax records and returns and other records of the Franchised Business. You must fully cooperate with our representatives and independent accountants hired to conduct any inspection or audit. This provision survives the termination or expiration of this Agreement.

12. Marks

12.1 ***Ownership and Goodwill of Marks.*** You acknowledge that the Marks are valid service and/or trademarks, which are licensed to us. You recognize that valuable goodwill is attached to the Marks, and that you will use the Marks only in the manner and to the extent specifically licensed by this Agreement. Any goodwill arising out of your use of the Marks inures to the benefit of us and the owner of the Marks. You further acknowledge that the right to use the Marks and the grant contained in this Agreement is non-exclusive. Any unauthorized use of the Marks by you is a breach of this Agreement and an infringement of our rights and the rights of our Affiliates. All provisions of this Agreement applicable to the Marks apply to any additional service marks, trademarks, trade dress, trade names, logos and commercial symbols hereafter authorized for use by, and licensed to, you.

12.2 ***Limitations on Use of Marks.*** You agree to use the Marks as the sole identification of the Franchised Business, provided that you identify yourself as the independent owner in the manner prescribed by us. You must not use any Mark as part of any corporate or trade name or with any prefix, suffix or other modifying words, terms, designs or symbols, or in any modified form, nor may you use any Mark in the performance or sale of any unauthorized services or products or in any other manner not expressly authorized in writing by us. You agree to display the Marks prominently and in the manner prescribed by us on forms authorized by us. All Marks must be displayed in the manner prescribed by us. You agree to give notices of trademark and service mark registrations and copyrights as we specify and to obtain fictitious or assumed name registrations as applicable law requires.

12.3 ***Restrictions on Internet and Website Use.*** You agree not to register any Internet address name under any Internet domain, class or category, or any user or account name, including on any social media website, that contains the phrase "Zoom" or any abbreviation, acronym or variation of that phrase without our prior written consent or in the manner we approve. We and our Affiliates retain the sole right to determine the content on any website we create.

12.4 ***Notification of infringements and Claims.*** You will not directly or indirectly contest or aid in contesting the validity of our ownership of the Marks, trade secrets, methods, procedures and advertising techniques which are part of the System, or contest our or our Affiliates' rights to register, use or license others to use the Marks or the System. You will not at any time (whether during or after the Term of this Agreement) directly or indirectly infringe on our rights to or in the Marks. You agree to promptly notify us of any claim, demand or suit based upon or arising from any attempt by anyone else to use the Marks, or any colorable variation thereof. We and our Affiliates will have the sole discretion to determine if we will defend the use of the Marks, and we are not obligated to defend the Marks. We or our Affiliates have the right to control any administrative proceeding or litigation involving the Marks. You will execute any and all instruments and documents, render assistance and do such acts as may, in the opinion of our counsel, be necessary or advisable to protect our interests or the interests of our Affiliates in any such litigation or proceedings, or to otherwise protect and maintain our interest or the interest of our Affiliates in the Marks.

12.5 ***Modification and Discontinuance of Marks.*** We will have the right to modify or discontinue the use of the Marks at any time and for any reason we deem appropriate. You will pay the costs associated with any change in the Marks we make, and you will make these changes promptly.

12.6 ***No Use in Business Name.*** Except as provided in Section 12.2, you may not use the Marks in connection with your corporate, business organization or trade name, or in connection with any prefix, suffix or other modifying words, terms, designs or symbols (except for those that we license to you) or in any modified form. You may not use the Marks when selling any unauthorized product or service or in any other manner that we have not expressly authorized in writing in advance.

12.7 ***Third Party Beneficiary.*** As the owner of the Marks, Zoom Sewer & Drain Cleaning Service, Inc. is a third party beneficiary of Section 12 of this Agreement and has an independent right to enforce these provisions.

13. Relationship of the Parties/Indemnification

13.1 ***Relationship.*** We and you are independent contractors, and no partnership, fiduciary, joint venture, or employment relationship exists between you and us. You will conspicuously identify yourself at the premises of the Franchised Business and in all dealings with the public as an independently owned business. Neither we nor you will make any agreements or representations in the name of or on behalf of the other that our relationship is other than franchisor and franchisee.

13.2 ***Your Indemnification.*** Under no circumstances will we be liable for any of your acts, omissions, debts, or other obligations. You will indemnify, defend and save harmless us and our employees, agents, officers, directors, parents, subsidiaries, Affiliates, successors and assigns (each an "**Indemnitee**") from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses (including reasonable legal fees and expenses) of any kind and nature whatsoever, including damages or injuries suffered by any Indemnitee, which may be imposed on, incurred by or asserted against any Indemnitee in any way arising out of the acts or omissions of you or your employees, agents, officers, directors, parents, subsidiaries, Affiliates, successors and assigns pursuant to or in connection with the operation of the Franchised Business regardless of whether the Indemnitees were negligent or that this negligence was a contributing factor in any Indemnitee's liability (to the extent permitted by applicable law). Notwithstanding anything to the contrary contained herein, you have no obligation to indemnify an Indemnitee to the extent Indemnitee's liability arises from or is related to its own negligence.

14. Transfer

14.1 ***By Us.*** We are free to assign all of our rights and obligations under this Agreement, and upon such assignment we will be relieved of all liability under this Agreement, and all rights and obligations will accrue to our successor or assignee.

14.2 ***By You.*** The rights and duties created by this Agreement are personal to you. We have granted this franchise in reliance upon our perception of the individual and collective character, skill, attitude, and business and marketing abilities of you and your owners. Therefore, there can be no Transfer without our prior written consent. Any consent by us will not operate as a consent to any future Transfer, and no future Transfer will be valid without our prior written consent to that specific Transfer. Any attempted Transfer in violation of this paragraph is voidable at our option. If we elect not to exercise our right of first refusal pursuant to Section 14.4 below, we will not unreasonably withhold our consent to a Transfer, provided that the following conditions are satisfied:

14.2.1 The Transfer is conducted in compliance with applicable laws, regulations and licensing requirements;

14.2.2 You have performed your obligations and duties under this Agreement and you are not in default under this Agreement, or any other agreement with us or our Affiliates;

14.2.3 You have paid all amounts owed to us and our Affiliate; and pay all other outstanding obligations relating to your Franchised Business;

14.2.4 You, including all owners, officers and directors (as well as all guarantors under this Agreement) must execute a general release, in the form approved by us, of any and all claims against us and our Affiliates, and ours and their respective owners, officers, directors, employees and agents;

14.2.5 The transferee meets the established standards for new franchisees, is of good moral character, and has a good credit rating, sufficient financial resources to operate the Franchised Business and competent qualifications. At our option, the transferee must assume all of your obligation under this Agreement and any and all ancillary documents, or execute the most current franchise agreement for the state in which the Franchised Business is located and any and all ancillary documents including the Agreement to Comply with Certain Undertakings of Franchisee;

14.2.6 We are paid a transfer fee equal to 50% of the then-current Initial Franchise Fee;

14.2.7 The transferee agrees to assume all liabilities and obligations from the prior operation of the Franchised Business and comply with other reasonable requirements we may impose;

14.2.8 The transferee and the transferee's Principal Owner, successfully completes the Zoom Zip training program;

14.2.9 The transferee updates the equipment and Vehicles used in the Franchised Business to comply with the then-current standards imposed by us;

14.2.10 If we approve a Transfer, we shall have the discretion to require you and the guarantors of this Agreement to remain liable for the full and faithful performance of the obligations of the transferee; and

14.2.11 Although we will not be required to determine the value of business upon a Transfer, if, in our reasonable judgment, the purchase price or terms of the Transfer are not economically feasible to the transferee, we can withhold our consent to such Transfer. Our consent is not, however to be construed as an implication or warranty that the terms of the sale are in fact economically feasible. We may, in good faith, notify you and the transferee, stating the reasons for which we have elected to withhold approval of the proposed Transfer.

14.3 ***Your Death Or Disability***. Notwithstanding the foregoing restrictions on Transfers, a Transfer to your or your Principal Owner's heirs, personal representatives or conservators, as applicable, in the event of death or legal incapacity of you or your Principal Owner, is permissible if such heirs, personal representatives or conservators, as applicable, meet our standards for new franchisees; at our option, assume all of your obligations under this Agreement, all ancillary documents and execute a new Guaranty and Assumption of Obligations, or execute the then-current form of franchise agreement and all ancillary documents, including the Guaranty and Assumption of Obligations; and have satisfactorily completed our initial training program at such heir's, personal representative's or conservator's sole cost and expense. No Transfer pursuant to this Subsection shall be subject to the Transfer Fee.

14.4 ***Our Right Of First Refusal.*** Notwithstanding the foregoing paragraphs (other than Section 14.3), if you receive a bona fide, executed, written offer to acquire an interest in this Agreement, you or the Franchised Business from a responsible, fully disclosed third party purchaser, you must submit a copy of the offer to us. You must also provide us with any other information we request to evaluate the offer. We have the right, exercisable by delivering written notice to you within 30 days from the date of last delivery by you of the offer and any other documents we request, to acquire such interest for the price and on the terms and conditions contained in the offer, except that regardless of the terms of the offer we may substitute cash for any form of payment proposed in the offer; require you to include customary warranties and representations in the purchase agreement; and structure the transaction as an "asset purchase," rather than a "stock purchase." We will not be obligated to pay any "finder's" or broker's fees that are a part of the proposed sale and will not be obligated to comply with any part of the offer which directly or indirectly requires payment of any consideration other than a bona fide purchase price for the interest proposed to be transferred (for example, we will not be obligated to pay any earn out or other share of the profits from our operation of the Franchised Business after the Transfer is completed). If we decline to exercise our right of first refusal, you will have 90 days after the earlier of our decline to exercise the right or the expiration of the right, to sell such interest to the bona fide third party purchaser upon the terms and conditions described in the offer notice submitted to us, subject to compliance with Section 14.2. In the event you fail to complete the sale of such interest to this third party on these terms within this 90 day period, you must again comply with this paragraph and give us the first right to acquire such interest prior to any sale. Our election to not exercise our right of first refusal as to any particular offer will not affect our right of first refusal as to any subsequent offer.

15. Default And Termination

15.1 ***Termination By Us With 30 Day Opportunity to Cure.*** We may, at our option and without prejudice to any other rights or remedies provided for in this Agreement or at law or in equity, terminate the Term of this Agreement for "**good cause**". Without limitation as to other situations, good cause for termination exists if you or any guarantor of this Agreement:

15.1.1 Does not perform all of the lawful terms, conditions and obligations of this Agreement or the mandatory obligations under the Manual; or

15.1.2 Misrepresents Net Sales; or

15.1.3 Lose any permit or license which is a prerequisite to the operation of the Franchised Business for a period of 5 days; or

15.1.4 Misuse the Marks or Confidential Information, or engage in conduct which, in our sole opinion, reflects unfavorably upon the operation, maintenance, goodwill and/or reputation of the franchise system or the Franchised Business; or

15.1.5 Are adjudged bankrupt, become insolvent or make a general assignment for the benefit of creditors (subject to Section 15.3(d) below); or

15.1.6 Are convicted of, plead guilty or no contest to, or commit any criminal misconduct which materially and adversely affects the operation, maintenance, reputation or goodwill of the Franchised Business or the Zoom Sewer and Drain Cleaning franchise system (subject to Section 15.3(a) below);

15.1.7 Fail to keep the Franchised Business open for a period of 3 consecutive days without justifiable cause; or

15.1.8 Fail to pay your or their lawful debts and taxes when the same become due; or

15.1.9 Fail to achieve the Minimum Growth Requirements; or

15.1.10 Commit any other act which constitutes good cause under applicable state law or court decisions.

Subject to applicable law and except as otherwise provided in this Agreement, we will give you at least 30 days' prior written notice of default (except that, if state law permits, we will have the right to terminate earlier if the "good cause" constitutes a default that is not curable). The notice will state the reason(s) for default and will provide that you have 30 days from the date of the notice to correct any claimed deficiency. If the default is corrected within this period, the notice will be void. If the default is not corrected within this period, we have the right to terminate the Term of this Agreement immediately.

15.2 ***Termination By Us With 10 Days Opportunity to Cure.*** We may also terminate the Term of this Agreement for non-payment of sums due to us or our Affiliates or suppliers; or your failure to open the Franchised Business for business within the time period required by Section 5.4 or Section 5.5, as applicable. Subject to applicable law and except as otherwise provided in this Agreement, if termination is based on the foregoing, we will give you at least 10 days' prior written notice of such default (except that, if state law permits, we will have the right to terminate earlier if the claimed deficiency constitutes a default that is not curable). The notice will state the reason(s) for default and will provide you with at least 10 days from the date of the notice to correct any claimed deficiency. If the deficiency is corrected within this period of time, the notice will be void. If the deficiency is not corrected within this period of time, then we have the right to terminate the Term of this Agreement effective 10 days after the date we gave you notice of default.

15.3 ***Termination By Us Without Opportunity to Cure.*** Notwithstanding anything contained herein to the contrary, if state law permits, we will be permitted to terminate the Term of this Agreement immediately and without notice when the basis or grounds for termination is: (a) conviction of a felony or any other criminal misconduct that, in our sole opinion materially and adversely affects the operation, maintenance, reputation or goodwill of the Franchised Business or the System; (b) fraudulent activity that in our sole opinion materially and adversely affects the operation, maintenance, reputation or goodwill of the Franchised Business or the System; (c) abandonment of the Franchised Business; (d) your bankruptcy or insolvency or that of your guarantors; (e) the giving of more than 2 no account or insufficient funds checks to us or our Affiliates within a 12 month period, or our or our Affiliates receipt of any similar notice when utilizing any EFT payment; (f) your making or having made any material misrepresentation or omission in the application for this franchise; (g) repeated failure or refusal to comply with the lawful provisions of this Agreement (*i.e.*, 2 or more times in any 12 month period), whether or not such failures or refusals are corrected after notice and whether or not such failures relate to the same provision; or (h) any other act or omission that permits termination without notice and/or an opportunity to cure under applicable state law.

15.4 ***Termination By You.*** You must notify us in writing of any failure of us to perform any of our obligations pursuant to this Agreement. You may terminate the Term of this Agreement only if we materially default in our performance of any terms and conditions in this Agreement, you give us written notice within 30 days of this material default and we fail to cure this material default within 60 days of our receipt of your written notice of default.

15.5 ***Consequences of Termination or Expiration.*** Upon termination or expiration of the Term of this Agreement for any reason whatsoever or upon any Transfer, all of your rights hereunder shall terminate, and you must do the following:

15.5.1 Cease to be a franchisee of ours and cease to operate the Franchised Business. You must not thereafter directly or indirectly represent to the public that the former business is or was operated or in any way connected with the System or hold yourself out as a present or former franchisee of ours;

15.5.2 Discontinue use of all Marks, signs, colors, structures, printed goods and forms of advertising indicative of our business, and return any copyrighted materials that have been provided to you by us, including the Manual and any other materials that contain the Marks;

15.5.3 Pay all amounts due to us, our Affiliates and suppliers;

15.5.4 Cancel any assumed name registration or equivalent registration obtained by you that contains the Marks, and furnish us with evidence satisfactory to us of compliance with this obligation within 5 days of the termination or expiration of the Term of the Agreement or the Transfer. Thereafter, you must not do business under any name using any Mark (or any abbreviation or derivation thereof, or substantially similar thereto);

15.5.5 Immediately cease providing services to all customers and forfeit all rights you have to the customer accounts and any and all information about the customers. Upon our request, you will assign us any or all of your customer contracts, and we will have the right to either service the accounts or assign the servicing of the accounts to others. In such event, you will provide us with all records, files and information on each customer upon our request; and

15.5.6 Comply with all post-term covenant obligations, including without limitation the Confidential Information, non-competition, non-solicitation and indemnification provisions.

15.6 ***No Relief From Your Obligations.*** Neither a Transfer nor the termination or expiration of the Term of this Agreement will relieve you of any of your obligations to us or our Affiliates existing at the time of such Transfer, termination or expiration, or terminate your obligations that, by their nature, survive a Transfer, or the termination or expiration of the Term of this Agreement. Furthermore, a Transfer or the termination or expiration of the Term of this Agreement will be without prejudice to our rights against you; and in the event of a termination that is the result of your material breach or default under this Agreement, we will, in addition to our rights set forth above, also be entitled to all rights and remedies available at law or in equity.

15.7 ***Option to Buy On Termination or Expiration.*** Upon termination or expiration of this Agreement for any reason, we will have the option, exercisable by giving written notice of exercise to you within 30 days from the effective date of termination or expiration, to purchase from you and your Owners any, all or substantially all the assets of the Franchised Business and assume all of your agreements relating to the Franchised Business. Assets of the Franchised Business will include, without limitation, the lease, leasehold improvements, equipment, fixtures, Vehicles, furniture, furnishings, signs, inventory and telephone numbers. We will have the right to assign this option. We or our assignee will be entitled to all customary warranties, representations and prorations in connection with the asset purchase. You must cooperate with us in obtaining any necessary lessor or other consents.

Once we give notice that we or our assignee will purchase the assets of your Franchised Business, we will have the right immediately to take over the operations of the Franchised Business. From the date we take over the Franchised Business to the date of closing of the purchase, we will be entitled to use the revenues of the Franchised Business to operate the business.

The purchase price for the assets of the Franchised Business shall be the fair market value of the assets based on a valuation made by an independent appraiser selected by us.

The purchase price will be paid in cash at the closing of the purchase, by means of a check, wire transfer or electronic funds transfer, which shall take place no later than 90 days after your receipt of our notice of exercise of the option to purchase, at which time you must deliver instruments transferring to us or our assignee: (1) good and marketable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us or our assignee), with all sales and other transfer taxes paid by you and (2) all licenses of the Franchised Business and/or permits which may be assigned or transferred. If you cannot deliver clear title to all of the purchased assets, or if there are other unresolved issues, the closing of the sale shall be accomplished through an escrow. We have the right to set off against and reduce the purchase price by any and all amounts owed by you to us and our affiliates, the amount of any encumbrances or liens against the assets, and any of your liability of assumed or paid for by us.

16. Confidential Information/Restrictive Covenants

16.1 ***Non-Disclosure of Confidential Information.*** In consideration of our granting you a franchise, and in recognition by you that the Confidential Information constitutes valuable and unique assets owned by or in the custody of us, you hereby agree and covenant that you will not use or disclose the Confidential Information or any part of the Confidential Information in any manner or for any purpose other than in the performance of your obligations pursuant to this Agreement and your operation of the Franchised Business, now and in the future. You must hold all the Confidential Information in the strictest confidence and not use it, reproduce it, distribute it or disclose it to anyone without our prior written consent or as required by law during the Term of this Agreement and thereafter. You may disclose the Confidential Information only to owners, officers, directors, members, partners, employees, agents and managers only to the extent necessary to operate the Franchised Business in accordance with this Agreement. You agree that the disclosure or use by one of your partners, shareholders, members or owners, or any spouse or member of the immediate family of the foregoing, of any Confidential Information other than in the operation of the Franchised Business, shall be deemed a breach and default by you of this Section. You further acknowledge that it would be an unfair method of competition for you or such partner, shareholder, member, owner, spouse or family member to use, duplicate or disclose any of the Confidential Information or knowledge, know-how or expertise received from us for any use other than the operation of the Franchised Business in accordance with this Agreement.

16.2 ***Competing Business During the Term of This Agreement.*** You acknowledge the uniqueness of the System and that we are making our knowledge, know-how and expertise available to you for the purpose of operating the Franchised Business strictly and solely within the Protected Territory. You agree that it would be an unfair method of competition to use or duplicate or to allow others to use or duplicate, any of the knowledge, know-how or expertise you receive from us or our Affiliates for any reason other than for the operation of the Franchised Business under this Agreement. You further recognize the importance of devoting substantial time and energy to the Franchised Business. Therefore, you warrant that during the Term of this Agreement, unless you have our prior written consent, neither you nor any of the guarantors of this Agreement will directly or indirectly perform any services for, engage in or acquire, be an employee of, have any financial, beneficial or equity interest in, or have any interest based on profits or revenues of any Competitive Business except as a duly licensed franchisee of ours (except for a 5% or less beneficial interest in a reporting company registered under the Securities Act of 1933, as amended). You may engage in other non-Competitive Business activities during the Term of this Agreement.

16.3 ***Competing Business After the Term of This Agreement.*** For 2 years after a Transfer, the termination or expiration of the Term of this Agreement for any reason, or the entry of final order of a court of competent jurisdiction enforcing this covenant, whichever is later, neither you nor any guarantor of this Agreement will directly or indirectly perform any services for, engage in or acquire, be an employee of, have any financial interest in, loan money to or have any interest based on profits or revenues of any Competitive Business (except for other outlets franchised from us to you or your owners, and except for a 5% or less beneficial interest in a reporting company registered under the Securities Act of 1933, as amended). The geographical scope of this restriction will cover the area (i) within a 25 mile radius of the Approved Location, (ii) within a 25 mile radius of each Additional Location, and (iii) the area within a 25 mile radius of any Zoom Business that is established, being constructed or subject to an executed Franchise Agreement at the time this restriction begins to be enforced.

16.4 ***Non-Solicitation.*** For a period of 2 years after any Transfer, or the expiration or termination of the Term of this Agreement, whether for any reason or no reason, voluntary or involuntary, or for cause or without cause, you will not, directly or indirectly, solicit or accept any business from, and will not directly or indirectly contact any existing customers or identified prospective customers with whom you or your employees or other agents have had direct or indirect contact or about whom you or your employees or other agents have learned Confidential Information by virtue of the operation of the Franchised Business ("**Customers**"), other than Customers with whom you have had no contact within the 2 years preceding such termination, expiration or Transfer.

16.5 ***Reasonableness Of Restrictions.*** You and the guarantors of this Agreement acknowledge and confirm that the length of the term and geographical restrictions contained in this Section 16 are fair and reasonable and not the result of overreaching, duress or coercion of any kind. You acknowledge and confirm that your and their full, uninhibited and faithful observance of each of the covenants contained in Section 16 will not cause any undue hardship, financial or otherwise, and that enforcement of each of the covenants contained in this Section 16 will not impair your or their ability to obtain employment commensurate with their respective abilities and on terms fully acceptable to you or them, or otherwise to obtain income required for your or their comfortable support and, if such person is an individual, his or her family, and the satisfaction of the needs of his or her creditors.

You acknowledge that to disregard the provisions of this Section 16 would effectively foreclose us from selling other franchises and you could be unjustly enriched and unfairly derive benefit from the goodwill of and training you receive from us. Moreover, our franchisees and the Zoom Businesses could be severely disadvantaged if you compete against them using the Marks or other Confidential Information. We intend to restrict your activities under Section 16 of this Agreement only to the extent necessary for the protection of our, our Affiliates' and our franchisees' legitimate business interests. Each of the foregoing covenants will be construed as severable and independent, and will be interpreted and applied consistent with the requirements of reasonableness and equity. In the event a court of competent jurisdiction will determine the business, time or geographic limitations contained in this Agreement are illegal, invalid or unenforceable, then the court so holding will reduce the limitation necessary to render such restriction enforceable by the court. We will have the right to reduce the scope of any covenant contained in Section 16, without your consent, effective immediately upon receipt by you of our written notice; and you will comply with any reduced covenant. In addition to any other remedies available at law or equity, we will have the right to injunctive relief for your violation or threatened violation of any covenant described in Section 16. The terms of this non-compete are assignable by us and will inure to our benefit, as well as our successors and assigns. In the event of any assignment, sale, merger or change in our ownership or structure, the resulting entity will step into our place, without any additional consent of or notice to you, as if the terms "**we**", "**us**", or "**our**" were defined in this Agreement to include such entity.

17. Dispute Resolution

17.1 ***Mediation***. We and you acknowledge that during the Term of this Agreement or thereafter, certain disputes may arise between the parties that the parties are unable to resolve by negotiation, but that may be resolved through mediation. To facilitate the resolution of any dispute that may arise between you and us, we agree that before commencing any legal proceeding against the other party, the dispute will first be submitted to non-binding mediation (the "**Mediation**") in Norristown, Pennsylvania, unless the parties mutually agree to another location. The Mediation shall be conducted under the then current Center for Public Resources ("**CPR**") Procedure for Resolution of Franchise Disputes (the "**CPR Mediation Rules**") except to the extent the CPR Mediation Rules differ from the terms of this Agreement, in which event the terms of this Agreement shall be applied. You and we will select the mediator from the CPR Panel of Neutrals (unless the parties mutually agree to the selection of another mediator). If the parties cannot agree on the selection of a mediator, CPR will make the selection. The cost of the mediation, including the mediator's fee and expenses, shall be split equally between you and us. All negotiations and mediation proceedings (including all statements and settlement offers made by either party or the mediator in connection with the Mediation) shall be strictly confidential, shall be considered as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and state rules of evidence, and shall not be admissible or otherwise used in connection with any court or arbitration proceeding for any purpose. The mediator may not be called as a witness in any court or arbitration proceeding for any purpose. Notwithstanding the foregoing, the obligation of Section 17.1 to mediate will not be binding with respect to claims brought by us relating to our trademarks, service marks, patents, or copyrights, including the Marks; claims relating to any lease or sublease of any real property between the parties or their affiliated entities; or requests by either party for temporary restraining orders, preliminary injunctions, permanent injunctions or other proceedings in a court of competent jurisdiction to obtain interim or permanent relief when deemed necessary by such court to preserve the status quo or prevent irreparable injury pending resolution by litigation of the actual dispute between the parties.

17.2 ***Venue***. Except as otherwise provided in this Agreement, all controversies, disputes or claims between Franchisor and Franchisee arising from this Agreement or the franchise relationship set forth in this Agreement shall be filed in the Federal District Court for district in which we have our principal place of business at the time any such action is instituted when the grounds set forth in 28 U.S.C.§ 1332 are present. Both parties and each guarantor of this Agreement irrevocably submit to the jurisdiction of this court and waive any objection to the application of Pennsylvania law or to the jurisdiction or venue in this court. In the event that the above-referenced federal court does not have jurisdiction over the dispute, the parties shall submit to binding arbitration as provided below.

17.3 ***Arbitration***.

17.3.1 In the event that the federal court described above does not have subject matter jurisdiction over the dispute, the parties, subject to all other provisions above, will submit the dispute to binding arbitration conducted in Norristown, Pennsylvania (unless the parties mutually agree otherwise). The arbitration proceeding will be conducted in accordance with the then current CPR Procedure for Non-Administered Arbitration of Franchise Disputes ("CPR Arbitration Rules"), except to the extent the CPR Arbitration Rules differ from the terms of this Agreement, in which event the terms of this Agreement will apply. Notwithstanding the foregoing, the arbitration does not have to be conducted under the CPR. The arbitrator must be mutually selected by the parties and must have at least 5 years of substantial experience in franchise law. Each party will be limited to 25 document requests, 15 interrogatories and 1 deposition unless otherwise agreed to between the parties. For purposes of this Section 17.3, if any dispute that names, involves or includes us, our respective affiliates, owners, officers, managers, agents, brokers or employees, such persons or entities shall also be included in and made party to the arbitration proceeding to the extent such parties consent to proceeding forward in arbitration.

17.3.2 The arbitrator will have the right to award or include in his award any relief which he deems proper in the circumstances, including money damages (with interest on unpaid amounts from date due), specific performance, and attorneys' fees and costs; however, the arbitrator will not be allowed to award or include in his award any punitive, exemplary, or consequential damages, to which the parties waive any right. The arbitrator, and not any federal, state, or local court or agency, shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, or enforceability of this Section 17.3, including but not limited to, any claim that all or any part of this Section 17.3 is void or voidable. The award and decision of the arbitrator will be conclusive and binding upon all parties, and judgment upon the award may be entered in any court of competent jurisdiction; however, the arbitrator may not under any circumstances: (1) stay the effectiveness of any pending termination of this Agreement; or (2) make any award which extends, modified or suspends any lawful term of this Agreement. Each party waives any right to contest the validity or enforceability of the award of an arbitrator under this Section except to the extent permitted by applicable law. The arbitrator must submit a reasoned award and this award must be consistent with the terms of this Agreement. If the arbitrator's award is not reasoned or not consistent with the terms of this Agreement, then notwithstanding the foregoing, we may appeal the arbitration award in Federal or State Court. An arbitration award or decision entered in any other case (whether or not we were a party) will not be binding on us in any other dispute, will have no precedential value and cannot be used as evidence in any other proceeding

17.3.3 The arbitrator will apply the provisions of any applicable statute of limitations. In connection with any arbitration proceeding, you, your guarantors and we will submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any of these compulsory claims which are not submitted or filed in the same proceeding in which they relate will be barred. This provision will continue in full force and effect subsequent to and notwithstanding the Transfer, or the termination or expiration of the Term of this Agreement. Except as provided in subsection 17.3.1 above, the arbitration will be conducted on an individual, not a class-wide basis. None of the parties to the arbitration will be entitled to consolidation of the arbitration proceedings with the proceedings of any third party, nor will the arbitrator or any court be empowered to order a consolidation of proceedings with any third party.

17.4 ***Limitations Period***. Except for claims arising from your non-payment or underpayment of amounts you owe us, any and all claims arising out of or relating to this Agreement or any agreement related to this Agreement or executed concurrently herewith or the relationship of the parties hereto, shall be barred unless a judicial proceeding is commenced within 1 year from the date the complaining party knew or should have known of the facts giving rise to such claim.

17.5 ***No Punitive, Exemplary or Consequential Damages***. EXCEPT WITH RESPECT TO YOUR OBLIGATION TO INDEMNIFY THE INDEMNIFIED PARTIES PURSUANT TO SECTION 13.2, AND EXCEPT FOR CLAIMS WE BRING AGAINST YOU FOR YOUR UNAUTHORIZED USE OF THE MARKS OR UNAUTHORIZED USE OR DISCLOSURE OF ANY

CONFIDENTIAL INFORMATION, WE AND YOU AND YOUR OWNERS WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, SPECIAL OR CONSEQUENTIAL DAMAGES AGAINST THE OTHER PARTY AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN THE PARTIES, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND/OR TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS. OUR OVERALL, AGGREGATE LIABILITY ASSOCIATED WITH ANY CLAIM BY YOU WILL BE LIMITED TO THE FEES THAT YOU PAID TO US FOR THE TWELVE (12) MONTH PERIOD IMMEDIATELY PRIOR TO YOUR NOTIFICATION TO US OF SUCH A CLAIM.

17.6 *No Jury Trial.* YOU AND WE AND YOUR OWNERS AND GUARANTORS IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY ANY PARTY.

17.7 *Attorneys' Fees.* The prevailing party in any litigation arising out of or relating to this Agreement shall be entitled to recover from the other party all damages, costs and expenses, including court costs and reasonable attorneys' fees, incurred by the prevailing party in successfully enforcing any provision of this Agreement.

18. Enforcement

18.1 ***Severability and Substitution of Valid Provisions.*** Except as expressly provided to the contrary, each section, paragraph, term and provision of this Agreement, and any portion thereof, is considered severable. To the extent that any part of this Agreement is deemed unenforceable by virtue of its scope in terms of area, time or business activity prohibited, but could be enforceable by reducing any or all provisions, you and we agree that same shall be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction in which enforcement is sought. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of the Term of this Agreement or refusal to renew this Agreement than is required in this Agreement, or the taking of some other action not required in this Agreement, or if under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any specification, standard or operating procedure prescribed by us is invalid or unenforceable, the prior notice and/or other action required by the law or rule shall be substituted for the comparable provisions.

18.2 ***No Waiver.*** Neither our waiver of a breach or default by you, nor our delay or failure to exercise any right upon your breach or default, nor our acceptance of any payment from you, will be deemed a waiver, nor will it impair our rights for other breaches or defaults of the same or a different kind. The description of any breach or default in any notice will not prevent our assertion of other defaults or breaches. We may waive any one or more of the requirements imposed under this Agreement for the benefit of any particular franchisee or any particular Zoom Business, but the waiver in favor of any other franchisee or Zoom Business will not prevent us from enforcing the requirements against you, all other franchisees and all other Zoom Businesses.

18.3 ***Obligations Absolute.*** You agree that your obligations to make any payments as specified in this Agreement, and any other agreement entered into with us or any of our Affiliates with respect to the Franchised Business, and the rights of us and our Affiliates to receive such payments, are absolute and unconditional and are not subject to any abatement, reduction, setoff, defense, counterclaim or recoupment due or alleged to be due to, or by reason of, any past, present or future claims that you have or may have against us and any of our Affiliates or against any other person for any reason whatsoever.

18.4 ***Day-To-Day Control.*** You have the sole right and responsibility for the manner and means by which the day-to-day operation of the Franchised Business is determined and conducted and for achieving your business objectives. Subject to any approval, inspection and enforcement rights reserved to us, your rights and responsibilities include the employment, supervision, setting the conditions of employment and discharge for employees at the Franchised Business, daily maintenance, safety concerns, and the achievement of conformity with the System, notwithstanding anything contained herein or in the Manual to the contrary. We expressly disclaim any responsibility or undertaking to ensure your compliance with the satisfactory and legal operation of the Franchised Business, and we will not in any way be liable to you or any third parties for your failure to comply with any of the terms of this Agreement or your failure to comply with any of our standards or suggestions, it being the understanding of the parties that you and you alone are responsible for the day-to-day operations of the Franchised Business.

18.5 ***Governing Law.*** You acknowledge that this Agreement was accepted in the State of Pennsylvania. You further acknowledge that you have and will continue to develop a substantial and continuing relationship with us at our principal offices in Pennsylvania, where our decision-making authority is vested and franchise operations are conducted and supervised. Except to the extent that this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 (Lanham Act, 115 U.S.C. § 1051), this Agreement will be governed, to the extent permissible, by the laws of the State of Pennsylvania without regard to principles of conflicts of law. If, however any provision of this Agreement would not be enforceable under the laws of Pennsylvania, and if the Protected Territory is located outside of Pennsylvania and the provision would be enforceable under the laws of the state in which the Protected Territory is located, then the provision in question (and only that provision) will be interpreted and construed under the laws of the state where the Protected Territory is located. If a state regulator requires an amendment to this Agreement, the amendment is attached to this Agreement in **Exhibit 6**. We will not, however, be precluded from contesting the validity, enforceability, or applicability or such regulator's required amendment in any action relating to this Agreement or to its rescission or termination.

18.6 ***Binding Effect.*** This Agreement is binding upon the parties and their respective executors, administrators, heirs, permitted assigns and successors in interest, and shall not be modified except by written agreement signed by both you and us.

18.7 ***Representative Capacity.*** In all of their dealings with you, our officers, directors, employees and agents act only in their representative capacity for us, and not in any individual capacity or on behalf of us or our Affiliates or agents.

18.8 ***Timing.*** Time is of the essence of this Agreement. It will be a material breach of this Agreement for you to fail to perform any of your obligation within the time required or permitted by this Agreement.

18.9 ***Approvals.*** Whenever this Agreement requires our prior approval or consent, you must make a timely written request to us and, except as otherwise provided herein, any approval or consent granted shall be effective only if in writing and signed by us. We make no warranties or guarantees upon which you may rely and assume no liability or obligation to you or any third party to which we would not otherwise be subject, by providing any waiver, approval, advice, consent or services to you in connection with this Agreement, or by reason of any neglect, delay or denial of any request therefore.

18.10 ***Cumulative Rights and Remedies.*** In addition to any other remedies in law or in equity to which it may be entitled, we will be entitled, without bond, to entry of injunctive relief and orders of specific performance enforcing the provisions of this Agreement, in the event you actually or anticipatorily breach this Agreement. If we incur attorneys' fees or other expenses in seeking enforcement of this Agreement, you will be required to reimburse us for our reasonable costs and expenses (including attorneys' fees). No right or remedy conferred upon us is intended to be exclusive, and every right or remedy granted in this Agreement will be cumulative and in addition to any other rights or remedies available under this Agreement, or otherwise. For purposes of this Agreement, a termination will include a termination for any reason, expiration, cancellation, failure to renew, assignment or Transfer.

18.11 *Construction*. The headings of the several sections and paragraphs are for convenience only and do not define, limit or construe the contents of the sections or paragraphs. The singular usage includes the plural and the masculine and neuter usages include the other and the feminine. If you are comprised of 2 or more persons, the obligations and liabilities to us of each of these persons will be joint and several. Except as otherwise expressly provided, nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity not a party to this Agreement. This Agreement is executed in multiple copies, each of which is deemed an original.

18.12 *Notices*. All notices required under this Agreement will be in writing and will be deemed given: (i) if hand delivered, on the day of delivery; (ii) 4 days after placement in the United States Mail by registered or certified mail, postage prepaid; or (iii) the day after placement with a courier guaranteeing overnight delivery, in each case addressed to the address listed in the opening paragraph of this Agreement or at such other address as either party will specify in a notice to the other party.

19. Additional Warranties And Representations

19.1 *Your Understandings*. You and your guarantors have been advised to make an independent investigation of our operations. We have not and do not represent that you can expect to attain a specific level of sales, profits, or earnings. You and your guarantors have been advised to obtain independent professional and legal advice regarding this franchise. You and your guarantors acknowledge that you and they are entering into this Agreement, and all ancillary agreements executed contemporaneously with this Agreement, as a result of your and their own independent investigation of this franchise and not act in reliance on or as a result of any representations made by our owners, officers, directors, managers, employees, agents, representatives, attorneys, franchisees, brokers or other franchise sellers that are not contained in or are contrary to the terms set forth in this Agreement or any representation in the FDD. You and your guarantors understand that you and they may sustain losses as a result of the opera¬tion or the closing of the Franchised Restaurant. You and your guarantors understand that the business venture contem¬plated by this Agreement involves a high degree of financial risk and depends to a large degree on your skills, abilities, initiative, and hard work.

19.2 *Compliance with Laws*. You and your Owners understand the requirements of, and will abide by, all United States government economic sanctions requirements. You represent and warrant that neither you nor any of your direct or indirect Owners, employees or agents is a person subject to trade restrictions under United States law, including (without limitation) the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., or any Executive Orders or regulations promulgated thereunder (including Executive Order 13224 of September 24, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism, and the Specially Designated Nationals and Blocked Persons List) ("**Anti-Terrorism Laws**"). You and your Owners may not engage in any activity that would expose us to a risk of criminal or civil penalties under applicable United States law. Any violation of the Anti-Terrorism Laws by you or your Owners, or any blocking of yours or your Owners' assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement.

20. General

20.1 *Caveat.* THE SUCCESS OF THE FRANCHISED BUSINESSES IS SPECULATIVE AND DEPENDS, TO A LARGE EXTENT, UPON YOUR ABILITY AS AN INDEPENDENT BUSINESS PERSON, AS WELL AS OTHER FACTORS. WE DO NOT MAKE ANY REPRESENTATION OR WARRANTY AS TO THE POTENTIAL SUCCESS OF THE FRANCHISED BUSINESS, AND NO ONE IS AUTHORIZED TO MAKE ANY SUCH REPRESENTATION OR WARRANTY ON OUR BEHALF. YOU FURTHER ACKNOWLEDGE THAT YOU HAVE READ AND COMPLETED THE QUESTIONNAIRE, A COPY OF WHICH IS ATTACHED TO THIS AGREEMENT AS **EXHIBIT 8**.

YOU UNDERSTAND AND AGREE THAT WE HAVE NO OBLIGATION TO ACCEPT YOUR APPLICATION AND MAY REFUSE TO GRANT YOU A FRANCHISE FOR ANY REASON, OR NO REASON, WITHOUT DISCLOSING THE BASIS FOR OUR DECISION. YOU ACKNOWLEDGE THAT UNLESS AND UNTIL WE SIGN THIS AGREEMENT, THE FRANCHISE HAS NOT BEEN GRANTED, YOU ARE NOT A FRANCHISEE OF OURS AND YOU MAY NOT RELY UPON BECOMING A FRANCHISEE OF OURS.

20.2 ***No Class Actions.*** **Any disagreement between you and us (and our affiliates and owners) will be considered unique as to its facts and must not be brought as a class action, and you waive any right to proceed against us (and our affiliates, stockholders, officers, directors, employees, agents, successors and assigns) by way of class action, or by way of a multi-plaintiff, consolidated or collective action.**

20.3 ***Non-Liability of Our Affiliates.*** We are the only company obligated to you under this Agreement. You may not look to or any other Affiliate of us, or related companies, other business entities or individuals for performance of this Agreement.

20.4 ***Force Majeure.*** Neither party shall be liable to the other for non-performance or delay in performance occasioned by any causes beyond its control (other than lack of funds) including, without limitation, acts or omissions of the other party, acts of civil or military authority, strikes, lock-outs, embargoes, insurrections or acts of God. If any such delay occurs, any applicable time period shall be automatically extended for a period equal to the time lost, provided that the party affected makes reasonable efforts to correct the reason for such delay and gives to the other party prompt Notice of any such delay; provided, however, that if the delay exceeds 75 days, we have the right to terminate this Agreement or to require you to move to a new location approved by us within an additional period of 120 days.

20.5 ***Survival.*** All obligations which expressly or by their nature survive termination or expiration or Transfer of this Agreement shall continue in full force and effect subsequent to and notwithstanding such termination or expiration or transfer and until they are satisfied or by their nature expire.

20.6 ***No Third Party Beneficiaries.*** Except as otherwise expressly provided herein, this Agreement is exclusively for the benefit of the parties hereto and shall not confer a benefit on, or give rise to liability to, a third party. No agreement between us and a third party is for your benefit.

20.7 ***Entire Agreement.*** You and we each acknowledge and warrant to each other that you and we each wish to have all terms of our business relationship defined in this Agreement. Neither you nor we wishes to enter into a business relationship with the other in which any terms or obligations are the subject of alleged oral statements or in which oral statements serve as the basis for creating rights or obligations different than or supplementary to the rights and obligations set forth herein. Accordingly, you and we agree that this Agreement, together with any other documents or agreements executed by the parties contemporaneously hereto, supersede and cancel any prior and/or contemporaneous discussions (whether described as representations, inducements, promises, agreements or any other term) between us or anyone acting on our behalf and you or anyone acting on your behalf, which might be taken to constitute agreements, representations, inducements, promises or understandings (or any equivalent to such terms) with respect to the relationship between the parties, and you and we each agree that we each have placed, and will place, no reliance on any such discussion; provided, however, that nothing in this or any related agreement is intended to disclaim the representations we made in the Franchise Disclosure Document furnished to you. This Agreement, together with any other documents or agreements executed by the parties contemporaneously hereto or incorporated herein by reference, constitutes the entire agreement between the parties and contains all of the terms, conditions, rights and obligations of the parties with respect to any aspect of the relationship between the parties. No further franchise rights or offer of franchise rights have been promised to you and no such franchise rights or offer of franchise rights shall come into existence, except by means of a separate writing, executed by one of our officers or such other entity granting the franchise rights and specifically identified as a modification of this Agreement.

20.8 ***Amendments***. No change, modification, amendment or waiver of any of the provisions hereof, including by custom, usage of trade, or course of dealing or performance, shall be effective and binding upon either party unless it is in writing, specifically identified as an amendment hereto and signed by a duly authorized representative of both parties.

20.9 ***Execution and Electronic Counterparts***. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same Agreement. The counterparts of this Agreement and all related documents may be executed and delivered by facsimile or other electronic signature method by any of the parties to any other party and each will be deemed original signatures. Electronic copies of this document shall constitute and be deemed an original copy of this document for all purposes, provided that such electronic copies are fully executed, dated and identical in form to the original hard copy version of this document. The receiving party may rely on the receipt of such document so executed and delivered by facsimile or other electronic means as if the original had been received.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

Franchisor:

ZOOM FRANCHISE COMPANY, LLC

By: ______________________________

Title: ______________________________

Franchisee:

(If Franchisee is a corporation or limited liability Company)

____

Name of corporation or limited liability company

By: ______________________________

Title: ______________________________

(If Franchisee is an individual owner, Franchisee must sign below; if a partnership, all partners must sign below)

____

Franchisee

____

Franchisee

Owners' Acknowledgment

Each following party is mentioned in this Agreement as having certain rights and/or duties as an owner of the Franchisee. Each following party is signing this Acknowledgment, not as a party, but only to the extent necessary to indicate its, his or her acceptance of, and agreement to be bound by, the specific rights and duties of an owner mentioned in this Agreement.

Owner:	Owner:
______________________________	______________________________
By: ______________________	Print name: ______________________
Name: ______________________	
Its: ______________________	
Owner:	Owner:
______________________________	______________________________
By: ______________________	Print name: ______________________
Name: ______________________	
Its: ______________________	

Exhibit 1

AGREEMENT TO COMPLY WITH CERTAIN UNDERTAKINGS OF FRANCHISEE

In consideration of, and as an inducement to, the execution of the above Franchise Agreement (the "Franchise Agreement"), by Zoom Franchise Company LLC ("us", "we", or "our") in favor of ______________________________ ("FRANCHISEE"), the undersigned ("UNDERSIGNED") agrees to personally comply with and abide by the following section of the Franchise Agreement: Confidential Information/ Restrictive Covenants (Section 16) to the same extent as and for the same period of time as FRANCHISEE is required to comply with and abide by such covenants and provisions. All of the foregoing obligations of the undersigned shall survive any expiration, termination, non-renewal, or transfer of the Franchise Agreement or this Agreement to Comply with Certain Undertakings of Franchisee ("Undertakings Agreement").

The obligations of the UNDERSIGNED hereunder are not contingent or conditioned upon our pursuit of any remedies against FRANCHISEE or any other person; nor will such obligations be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence that we may from time to time grant to FRANCHISEE or to any other person, including, without limitation, the acceptance of any partial performance or the compromise or release of any claims, none of which will in any way modify or amend this Undertakings Agreement, which will be continuing and irrevocable during the term of the Franchise Agreement and thereafter.

If we or any of our affiliates are required to enforce this Undertakings Agreement in any judicial proceeding or appeal thereof, the UNDERSIGNED shall reimburse us and our affiliates for our and/or their costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorney assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Undertakings Agreement. Further, UNDERSIGNED hereby consents to the applicability of the venue, governing law and jurisdiction provisions in the Franchise Agreement.

The terms contained in the Franchise Agreement and this Undertakings Agreement constitute the entire agreement between the parties, and there are no representations, inducements, promises, or agreements, oral or otherwise, between the parties not embodied herein.

IN WITNESS WHEREOF, each of the UNDERSIGNED has affixed his or her signature on the same day and year as the Agreement was executed.

UNDERSIGNED:

Print Name: ____________________
Signature: ____________________
Date: ____________________
Address: ____________________
____

Print Name: ____________________
Signature: ____________________
Date: ____________________
Address: ____________________

Exhibit 2

BUSINESS TERMS

Your business name,
address, phone number,
facsimile and e-mail address:

Expiration Date of this Agreement:

Approved Location of Franchised Business:

Protected Territory:

Population in your Protected Territory:

Exhibit 3

ADDITIONAL SITE SCHEDULE

This Additional Site Schedule (this "**Schedule**"), entered into on the ___ day of _______, 20__, by and between ZOOM FRANCHISE COMPANY, LLC ("**us**"; "**our**" or "**we**"), and , and ___________ __________________, a ___________ ("**you**" or "**your**") amends and modifies the Franchise Agreement between us and you dated on the _____ day of __________, 20___, as amended ("**Franchise Agreement**").

WHEREAS, you are operating a Franchised Business at an Approved Location and such other "Additional Locations" previously approved (if any) pursuant to the terms of the Franchise Agreement;

WHEREAS, you would like to operate the Franchised Business using the System and Marks at an additional location (hereinafter referred to as an "**Additional Location**");

WHEREAS, we are willing to consent to your operating an Additional Location under the terms and conditions set forth herein;

NOW, THEREFORE, we and you agree as follows:

1. Grant of License. Subject to the terms and conditions herein, we hereby grant to you and you hereby accept from us, a non-exclusive right to use the System and Marks to open and operate an Additional Location within the Protected Territory located at ________________________ under the terms and conditions set forth under the Franchise Agreement as amended herein. This Additional Location will be operated as part of the Franchised Business. All terms of the Franchise Agreement regarding the Approved Location are equally applicable to the Additional Location except as otherwise provided herein.

2. Additional Location Fee. You must pay us an Additional Location Fee of $2,000 upon execution of this Additional Site Schedule. This fee is fully earned when paid and is not refundable under any circumstances.

3. Site Selection. The site of the Additional Location is selected by you, subject to our consent. We will advise you whether the proposed Additional Location site is acceptable in accordance with the terms and conditions of Section 5.3 of the Franchise Agreement. We are not responsible for and do not make any warranty regarding the suitability of the Additional Location site, and our consent to an Additional Location site means only that the location meets our minimum standards for an acceptable location. You are primarily responsible for investigating the Additional Location and having any leases or sale contract for the site reviewed and approved by your attorney.

4. Commencing Operation of the Additional Location. You shall Commence Operating the Additional Location within 90 days (if your Franchised Business at the Additional Location is converted from another business) or 120 days (if you are starting a new business at the Additional Location) from the execution of this Schedule.

5. Construction of the Additional Location. You are solely responsible for obtaining all necessary financing and constructing the Additional Location in accordance with the layout and other criteria described in our Manual or in other written communications by us. You may not Commence Operating the Additional Location until we provide our written notice of approval.

6. <u>Maintenance, Appearance and Remodeling</u>. You must maintain the Additional Location and its appearance in accordance with our standards which we will communicate to you from time to time in the Manual, or by other written or electronic communications.

7. <u>All other Terms in Effect</u>. Except as modified by this Additional Site Schedule, all of the terms of the Franchise Agreement and the Agreement to Comply with Certain Undertakings of Franchisee shall remain in full force and effect. The Guarantors hereby ratify and affirm their personal guarantees under the Agreement to Comply with Certain Undertakings of Franchisee by signing this Schedule. This Schedule hereby forms a part of and is incorporated into the Franchise Agreement.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby have duly executed this Addendum.

Franchisor:

ZOOM FRANCHISE COMPANY, LLC

By: ______________________________

Title: ______________________________

Franchisee:

(If Franchisee is a corporation or limited liability Company)

____
Name of corporation or limited liability company

By: ______________________________

Title: ______________________________

Guarantors:

____
Name:

____
Name:

(If Franchisee is an individual owner, Franchisee must sign below; if a partnership, all partners must sign below)

____
Franchisee

____
Franchisee

Exhibit 4

OWNERS OF FRANCHISEE

Name of Owner	Nature of Interest	Beneficial Interest in Franchisee
______________________	______________	______________%
______________________	______________	______________%
______________________	______________	______________%
______________________	______________	______________%
______________________	______________	______________%
______________________	______________	______________%
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______________________	______________	______________%
______________________	______________	______________%
______________________	______________	______________%
______________________	______________	______________%
______________________	______________	______________%
______________________	______________	______________%
Totals		**100%**

Exhibit 5

PLUS PLAY ADDENDUM TO THE FRANCHISE AGREEMENT

This Plus Play Addendum (**"Plus Play Addendum"**) is entered into this _____ day of ___________, 20___, by and between ZOOM FRANCHISE COMPANY, LLC (**"us"**, **"our" or "we"**), and ____________________________________, a _________________________ (**"you"** or **"your"**).

WHEREAS, you and we entered into that certain Franchise Agreement dated of even date herewith (the **"Franchise Agreement"**), for the operation of a Zoom Business; and

WHEREAS, you have an existing service business, ________________ (the **"Existing Business"**) which we believe is complimentary to the Zoom Business, and you and we agree that operating the Existing Business in concert with your Zoom Business will provide strategic advantages; and

WHEREAS, the parties wish to modify the Franchise Agreement consistent herewith.

THEREFORE, the parties agree as follows:

1. **<u>Amendment to Section 6.4</u>**. Section 6.4 of the Franchise Agreement is hereby amended to provide that you are not required to utilize the services of any Call Center we may establish, and the Call Center Fee will only apply if you choose to utilize any such Call Center.

2. **<u>Creation of Section 16.6</u>**. A new Section 16.6 is hereby added as follows:

   "16.6 ***Existing Business***. Notwithstanding anything to the contrary in this Sections 16, it shall not be a violation of the covenants contained in Sections 16.2, 16.3 or 16.4 for you or your Owners to continue to solicit or accept business from, or to contact, any customer that is either (i) a customer from the existing business operated by your affiliate, __________________ [name of the Existing Business] (the **"Existing Business"**) as set forth on **Attachment A** attached hereto and incorporated herein; or (ii) is a customer that is identified as an Existing Business referral in your Zoom Customer database (collectively **"EB Customers"**). A customer shall be considered to have originated from the Existing Business if its first interaction with either the Existing Business or your Franchised Business is scheduling an appointment or otherwise requesting drain cleaning services from the Existing Business (e.g., they call the phone number for the Existing Business instead of the phone number for your Franchised Business). The parties intend for drain cleaning services, including those for EB Customers, will be provided by your Franchised Business, but it shall also not be a violation of the covenants contained in Sections 16.2, 16.3 or 16.4 for you or your Owners to provide any drain cleaning services for drains 2 inches or less through the Existing Business."

3. **<u>Effectiveness of Agreement</u>**. Except as modified by this Plus Play Addendum to the Franchise Agreement, all of the terms of the Franchise Agreement and the Agreement to Comply with Certain Undertakings of Franchisee shall remain in full force and effect. The Guarantors hereby ratify and affirm their personal guarantees under the Agreement to Comply with Certain Undertakings of Franchisee by signing this Schedule. This Plus Play Addendum to the Franchise Agreement hereby forms a part of and is incorporated into the Franchise Agreement.

IN WITNESS WHEREOF, the parties hereto have duly signed and executed this Plus Play Addendum as of the day and year first above written.

Franchisor:

ZOOM FRANCHISE COMPANY, LLC

By: ______________________

Title: ______________________

Franchisee:

(If Franchisee is a corporation or limited liability Company)

____
Name of corporation or limited liability company

By: ______________________

Title: ______________________

(If Franchisee is an individual owner, Franchisee must sign below; if a partnership, all partners must sign below)

____
Franchisee

____
Franchisee

ATTACHMENT A

CUSTOMERS OF THE EXISTING BUSINESS AS OF THE EFFECTIVE DATE OF THIS AGREEMENT

Exhibit 6

STATE LAW ADDENDUM

Exhibit 7

SERVICETITAN ACKNOWLEDGMENT

FRANCHISEE ACKNOWLEDGEMENT

By your signature below, you agree and acknowledge that ZoomDrain Franchise Company, LLC (**"franchisor"**) may request from ServiceTitan, Inc. access to information that you input into the ServiceTitan system (the **"system"**) or develop on the system in or with respect to accounts related to your ZoomDrain franchised business(es), including, but not limited to customer data, transaction data and operational and financial data about your ZoomDrain franchised business(es) (the **"data"**). Such access may be in individual or aggregated form and may take place with or without notice to you. You consent to this disclosure by ServiceTitan of any and all data to franchisor and its affiliates and agree to indemnify and hold harmless ServiceTitan and its subsidiaries, affiliates, officers, agents, and employees, for any damages, expenses, losses or liabilities suffered by you in connection with any such disclosure whether such damages are under contract or tort or under any other theory of liability.

Further, franchisor may request to be granted administrative access to your ServiceTitan user account(s) related to your ZoomDrain franchised business(es), to export, transfer or grant access to your account or to data associated with such account(s) or your ZoomDrain franchised business(es), to suspend such account(s) or your access to the system for your ZoomDrain franchised business(es) or, in connection with a termination of our ZoomDrain franchise agreement(s) with franchisor, to terminate or delete your ServiceTitan account(s) related to your ZoomDrain franchised business(es). You consent to all such access and actions by franchisor and agree that you will not seek any mass export of your data with respect to your ZoomDrain franchised business(es) without the written consent of franchisor. Further, you agree to indemnify and hold harmless ServiceTitan and its subsidiaries, affiliates, officers, agents, and employees, for any damages, expenses, losses or liabilities suffered by you in connection with any such actions of franchisor whether such damages are under contract or tort or under any other theory of liability.

You agree that you will at all times comply with the terms of use with respect to the system which are accessible at http://www.servicetitan.com/termsofservice. For the purposes of the terms of use, you consent to the disclosure and access rights granted to franchisor hereby. ServiceTitan, Inc. is an intended third-party beneficiary to this agreement.

Franchisee's Name:______________________________

Signature:______________________________

Date:______________________________

Exhibit 8

FRANCHISEE DISCLOSURE QUESTIONNAIRE

As you know, ZOOM FRANCHISE COMPANY, LLC (the "**Franchisor**") and you are preparing to enter into a Franchise Agreement for the operation of a Zoom Business. The purpose of this Questionnaire is to determine whether any statements or promises were made to you that the Franchisor has not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions and provide honest and complete responses to each question.

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

2. Have you received and personally reviewed the Franchisor's Franchise Disclosure Document (the "**FDD**") that Franchisor provided to you? Yes ____ No ____

3. Did you sign a receipt for the FDD indicating the date you received it? Yes ____ No ____

4. Date on which you received the FDD and related Exhibits explaining the Zoom Business: ____________________, 20___.
(month, day)

5. Date on which you received a completed copy, other than signatures, of the Franchise Agreement: ______________, 20___.
(month, day)

6. Date on which you signed the Franchise Agreement: ____________________, 20___.
(month, day)

7. Were you given the opportunity to discuss the benefits and risks of operating a Zoom Business with an attorney, accountant or other professional advisor, and do you understand those risks? Yes ____ No ____

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

9. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise regarding the amount of money you may earn or that any of Franchisor's franchisees or company-owned or affiliate-owned businesses earn in operating the business other than what is discussed in Item 19 of the FDD? Yes ____ No ____

10. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating the business? Yes ____ No ____

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

12. You understand that the Franchisor is not giving any legal or insurance advice regarding the operation and structure, etc. of the business and we are relying on our own independent counsel with respect to legal and insurance matters. Yes _____ No ______

* * *

Please understand that your responses to these questions are important to the Franchisor and that it will rely on them.

By signing this Questionnaire, you are representing that you have responded truthfully to the above questions. You are also representing that you have reviewed all of these questions and the answers with the other owners of the business and any of your representatives who had discussions with the Franchisor or any of its officers, agents, or employees. The responses from those people are also included by you above.

Dated on ________________, 20___.

Franchise Applicant

Name: ______________________________

Signature: ___________________________

EXHIBIT B

TABLE OF CONTENTS OF MANUALS
Total Pages: 449 pages

25. On the Job
    - Performance Criteria
    - Performance Reviews & Salary Reviews
    - Solicitation & Distribution
    - Customer Complaints and/or Problems
    - Fraudulent Condemnation of Equipment or Systems
    - Company Issued Vehicles
    - Company Issued Mobile Phones
    - Open Door Policy
    - Smoking Policy
    - Theft
    - Violence in the Workplace
    - Security Checks
    - Reimbursement for Justified Business Expenses
    - Required Reading
    - Telephone/Fax/Photocopy Usage
26. Safety Policies
    - First Aid Kits
    - Eye Wash
    - Oxygen
    - Workplace Injuries
    - Procedure
    - Chest Pains
    - Emergency Room Visits
    - Minor Injuries
    - Procedure Reporting Back to Work
    - Elective Surgery
    - Drug & Alcohol Policy
    - Drug Testing
    - Alcohol Testing
27. Employee Benefits & Time Off
    - General Benefits
    - Group Medical Insurance
    - Continuation of Coverage
    - Vacation
    - Paid Holidays
    - Paid Sick Days
    - Retirement Plan Benefits
    - Maternity Benefits
    - Bereavement/Funeral Benefits
28. Leaves of Absence
    - Family & Medical Leave
    - Military Leave
    - Jury Duty Leave
    - Work Related Disability
29. Conclusion

Accounts Payable Manual – 21 Pages

1. The Role of Accounts Payable and What the Company Expects
    - Your Role and Responsibilities
    - What the Company Expects
2. Accuracy and Tracking of Material Purchase Procedures
    - Material Purchase Procedures
3. Processing Bills From Our Suppliers (Vendors), Subcontractors and Other Payables
    - Before Entering Bills for Received Items
    - Entering Bills/Invoices
    - Entering Credits from Invoices/Bills or Pick-up Tickets
    - Entering Credit Card Charges/Receipts or Credits
4. Paying Bills
5. Reconcile & Paying American Express Credit Card Bill
6. Reconcile Bank Accounts
7. Petty Cash/Receipt Procedures
8. Permit & Filing Fees
9. Referral/Commission Checks Procedure
    - Service Titan Management Procedures
    - Quickbooks Procedures
10. Entering Voided Checks
11. Checking Employee Hours/Time Card Procedures
12. Payroll Procedures
    - Pay Periods & Paydays
    - Quickbooks Procedures
13. Quickbooks Bonus Payroll
14. Paying Payroll Liabilities
    - Processing Weekly Liabilities
    - Processing Quarterly Tax Liabilities
    - Processing a Final Paycheck for an Employee
15. Reimbursement for Justified Business Expenses
16. Monthly Vendor Statement Review
17. Financial Reporting
18. Credit Applications From Vendors

Accounts Receivable Manual – 21 Pages

1. The Role of Accounts Receivable and What the Company Expects
2. Understanding the Role of the Technician and Dispatcher
3. Service Titan Management, Invoice Procedures
4. Quickbooks, Syncing Invoices Procedure
5. Quickbooks, Deposit Payments Received on the Job
6. Quickbooks, Printing Invoices to be Mailed
7. Quickbooks, Receive Payments From the Mail
8. Quickbooks, Deposit Payments Received in the Mail
9. Quickbooks, Process Online Payments
10. Quickbooks, Merchant Service Deposits
11. Deposit Conflict Procedures
12. Bounced Check Procedures
13. Declined Credit Cards and Chargebacks
14. Monthly Statements
15. Invoice or Job Ticket Printouts for Customers

16. Discounts, Finance Charges, Invoice Adjustments
17. Past Due Accounts
18. Customer Record Account Status
19. Extending Customer Credit
20. Extending Credit for Install and Major Service Work
21. Statement or Job Ticket Printouts for Customers
22. Customer Requests for W-9 Information
23. Service & Install Bonus Procedures
24. Financial Reporting

Commercial Sales Agent Manual – 12 Pages

1. Primary Role in our Company
2. What Zoom Expects From You
3. Acceptable Attire for Commercial Sales Agents
4. Achieving Customer Respect by Our Appearance
5. Achieving Customer Respect by Our Caring for Their Business's Cleanliness
6. Demonstrating Our Professionalism, Integrity and Respect
7. General Sales Guidelines for Commercial Sales Agents
8. Defining Qualified New Commercial Sales Leads and Sales
9. Assigning New Sales Leads
10. General Sales Call Procedure
11. Handling Price Objections
12. Why We Sell Commercial Service Agreements
13. Follow-up Procedure
14. General Installation and Repair Work that Our Company Offers
15. Telemarketing
16. Commercial Sales Agent Script
17. Additional Position Requirements

Customer Service Representative Manual – 44 Pages

1. General Job Responsibility
2. What the Company Expects
3. Characteristics of a Great CSR
4. The Value of a Phone Call
5. Types of Services We Offer
6. Company Phone Standards
7. Phone Scripts
    - Greeting
    - Gathering Information
    - Scheduling Service
    - Closing the Call
8. Creating a New Customer in the Computer System
9. Entering a New Work Order in the Computer System
10. Preferred Customer Classification
11. Service Call Scheduling
12. Probing Questions Checklist
13. Understanding Menu Pricing & Request for Prices Over the Phone
    - Handling Price Requests
14. Pricing & Payment Guidelines
15. Callbacks, Warranties Calls & Customer Complaints

- Definition of a Callback
- Scheduling a Return Visit
- Handling Customer Complaints

16. Work Orders on Which to Take Action
    - Flagged Work Orders
    - Needs to be Scheduled Work Orders
    - Waiting on Acceptance Work Orders
17. Price Quotes for Install Jobs or Major Service
    - Prescreening Calls Requesting a Price Quote
    - Scheduling a Price Quote
18. Outbound Calls
    - Recommended Service Follow-up
    - Unsold Service or Install Work & PM Proposals
    - Un-Enrolled Commercial Customers
    - Commercial Customers with Unsigned Enrollment Form
    - Commercial Customer Mailing Follow-up
    - Direct Mail Follow-up Calls
19. Handling Signed & Unsigned Service Agreements
20. On-Call Service
21. Customer Survey and Testimonials
22. People to Contact for Technical Assistance
23. Customer Supplied Parts
24. Information About the Company Location
25. Job Applicants
26. Solicitations
27. Daily Phone System Check
28. Phone System Responsibilities
29. CSR Scorecards
30. Office Closing Procedures
31. Lead CSR Responsibilities
    - Preventative Maintenance
    - RootX Mailings
    - Managing CSR Scorecard Reports
    - Monthly Marketing Checklist
    - Plumber/Contractor Referral Program
    - Ordering Office Supplies

Dispatching Service Representative Manual – 20 Pages

1. General Job Responsibility
2. Service Dispatcher Authority
3. First Call Assignments
4. Selecting a Work Order to Dispatch
    - Priority for Dispatching Work Orders
5. Assigning a Work Order
6. Job History/Previous Work Orders
7. Delaying Service Calls
    - When Running Late
    - Lost Call Script
8. Work Order Progress

- Dispatch Board Legend

9. Work Order Completion
   - Pausing a Work Order
   - Putting a Work Order On Hold
   - Reopening a Work Order
10. Following Up on Work Orders
11. Daily Review of the Status of Work Orders
12. Work Orders Created Through the WON (Work Order Network)
13. Dispatcher End of Day Procedures
14. Dispatch Hand-Off Procedures
15. Work Order/Invoice Procedures
    - What Service Tech Does in Field
    - What Dispatcher Does in Office
16. Time Card Procedures
17. Contacting Technicians
18. People to Contact for Technical Assistance
19. Getting Parts or Equipment to Technicians in the Field
20. Follow-Up Calls to Billing Customers
21. On-Call Service
22. Pricing Guidelines
    - Price Authorizations Prior to Starting Work
    - Payment Guidelines
23. Callbacks, Warranty Calls and Customer Complaints
    - Definition of a Callback
    - Scheduling a Return Visit
    - Handling Customer Complaints
24. Technicians in The Office or at The Shop

Financial Manager Manual – 8 Pages

1. General Description of Position
2. Duties of Position
3. Impact on Operations
4. Typical Workday Schedule
5. Time Tracking Sheet
6. Training Checklist

Office Manager Manual – 11 Pages

1. General Description of Position
2. General Duties of Position
3. Overview of Regular Reporting
   - Weekly
   - Monthly
   - Year End
4. Human Resources Duties
5. Impact on Sales & Marketing
6. Typical Workday Schedule
7. Time Tracking Sheet
8. Training Checklist

Install Field Supervisor Manual – 20 Pages

1. Primary Responsibilities
2. Suggested Typical Work Day
   - Typical Work Day Schedule
3. Time Tracking Sheet
4. Requirements to Remain an Install Field Supervisor
   - What You Must Demonstrate
   - Ongoing Selection Process
   - Introductory Period
   - Expectations
5. Compensation, Tools & Benefits
6. Personnel Moves & Disciplinary Procedures
7. Field Supervisor Management Training
8. Apprenticeship Programs
9. Proper Use of Digital Cameras
10. Upholding & Improving Workmanship Standards
11. Safety Manuals
12. New Tools, Materials & Customer Satisfaction Procedures
13. Ride-Along Training
14. Evaluating Candidates for Hire
15. Existing Technician Ride-Along Training Checklist
16. Orientation Procedure for New Installers/Apprentices
17. Attire for Install Field Supervisors
18. Checklist to Remain an Install Field Supervisor
19. Quarterly Checklist for Team Managed
20. Training Checklist

Service Field Supervisor Manual – 21 Pages

1. General Job Description
2. Position Expectations
3. Requirements to Remain Field Supervisor
4. Ongoing Selection Process
5. Orientation Period
6. Compensation, Tools & Benefits
7. Personnel Moves & Disciplinary Procedures
8. Field Supervisor Management Training
9. Apprenticeship Programs
10. Proper Use of Digital Cameras
11. Upholding & Improving Workmanship Standards
12. Coaching Sales, Efficiency & Conversion Rates
13. On Call Schedule
14. Marketing
15. Menu Pricing Guide, Trade Manual & Service Technician Manuals
16. New Tools, Materials & Customer Satisfaction Procedures
17. Ride-Along Training
    - Sample Technician Report
18. Evaluating Candidates for Hire
19. Orientation Procedure for New Service Technicians/Apprentices
20. Attire for Field Supervisors
21. Field Supervisor Role in Sales

- Review of Program
- Second Opinion Expertise
- Price Quotes on Install or Major Service Jobs
- Attendance at the Install Meeting

22. Delivery of Price Quote to a Client
    - Handling Price Objections
    - Script for Handling Price Objections
    - Scheduling Future Work
23. Working with our Technicians to Generate Quality Sales
24. General Sales Call Procedure
    - Meeting the Customer/Providing Quote
    - Preparing to Provide Service
    - Executing the Service and Concluding the Transaction

Human Resources Manager – 12 Pages

1. The Role of Human Resources and What the Company Expects
    - Your Role and Responsibilities
    - What the Company Expects
2. Manage Simple IRA Benefits
3. Manage Health Insurance Benefits
4. New Hire Processing
5. Work Related Injury
6. Employee Vacation & Benefits
7. Bonus & Comp Plan Administration
8. Maintaining Accurate Personnel Records

Marketing Manager Manual – 28 Pages

1. Company Name
2. Tag Line
3. Logo
4. Marketing Overview & Goal
5. Primary Areas of Responsibility
6. Mission
7. Target Audience
8. Unique Selling Proposition
9. Our Current Service Area
    - What Service Area Would We Like to Increase Our Market Share?
10. Marketing Budget
11. Marketing Allocation
12. Marketing Statistics
13. Marketing Calendar
14. General Installation & Service Work Zoom Does
15. Current Marketing Drivers
    - E-Marketing
    - SEO (Search Engine Optimization)
    - SEM (Search Engine Marketing)
    - Social Media
    - E-Zines & E-Mail Blasts
    - ZOOM Website

- Print Media
- Signage
- Trade Shows/Presentations/Events
- Literature
- Direct Mail
- Referral Marketing
- Customer Giveaways
- Radio/TV
- Special Projects
- Graphics/Design
- Testimonials
- Acquisition

16. Marketing Campaigns
    - Residential Customers
    - Food Industry – Restaurants
    - Property & Facility Managers
    - Plumbing & Mechanical Contractors
    - Existing Customers
17. Working With our Marketing Vendor
18. How to Best Handle the Marketing Recurring Responsibilities

Sales Manager Manual - 10 Pages

1. What Does our Company Do to Help the Sales Manager
2. Expectations for This Position
3. Types of Services We Offer
4. General Installation & Service Work that our Company Offers
    - Sewer & Drain Cleaning
    - Service Agreements
5. Zoom Marketing Overview
6. Sales Manager's Typical Workday Schedule
7. Sales Manager Time Tracking Sheet
8. Training Checklist

System Engineer Manual – 21 Pages

1. Primary Role in our Company
2. Acceptable Attire for System Engineers
3. Achieving Customer Respect by our Appearance
4. Achieving Customer Respect by Caring for their Home or Business Cleanliness
5. Demonstrating our Professionalism, Integrity & Respect
6. General Sales Guidelines for System Engineers
7. Assigning New Leads
8. General Information for Price Quotes on Install or Major Service Jobs
9. Proposals for Install or Major Service Work
    - Qualifying the Lead
10. General Sales Call Procedure
    - Meeting the Customer/Providing a Quote
    - Preparing to Provide Service
    - Executing the Service and Concluding the Transaction
    - Handling Price Objections

- Delivery of Proposal to a New or Prospective Customer
- Scheduling Future Work

11. When Emergency Install or Major Service Work is Required
12. Procedure for Securing Material & Rental Equipment
13. Additional Repairs or Replacement Suggestions
14. Follow-Ups with Customers for Job Satisfaction & Testimonials
15. Service & Repair Agreements Defined
16. Install Job Process Checklist Defined
17. General Warranty Notes
    - Drain, Sewer or Water Service
    - Pumps, Fixtures & Miscellaneous Plumbing
    - Residential Drain Cleaning
    - Commercial Drain Cleaning
18. Why We Sell Preventative Maintenance Agreements
19. Permits
20. Financing of Install or Major Service
21. Working with our Technicians to Generate More Quality Sales
22. Minimizing Callbacks

Service Manager Manual – 15 Pages

1. Responsibilities of Position
2. Tracking & Posting Responsibilities
3. Advanced Training & Responsibilities
4. Requirements for Remaining a Service Manager
5. Apprenticeship Programs
6. On Call Schedule
7. Quarterly Review
8. Authority of the Service Manager
9. Bonus & Spiff Plan
10. Inclement Weather/Emergency Protocol
11. Typical Workday Schedule
12. Time Tracking Sheet
13. Training Checklist

Drain & Excavation Manual – 90 Pages

1. Who is Qualified to Do Which Tasks?
2. General Guidelines
3. Arriving at a Service Call or Job Site
4. General Procedure when Quoting Prices
5. Discounts
6. General Payment Policy
7. General Warranty Notes
    - Drain, Sewer or Water Service
    - Pumps, Fixtures & Miscellaneous Plumbing
    - Residential Drain Cleaning
    - Commercial Drain Cleaning
8. General Procedure to Follow Before Beginning Work
9. General Procedure to Follow After Completion of Work
10. General Terms & Terminology
11. General Information for Price Quotes on Install Jobs or Major Service

- Examples of Install Jobs
- Examples of Major Service

12. Lead Turnover Process
13. General Procedures for Working with Subcontractors
14. Drain & Sewer Line Cleaning
    - Safety
    - Drain, Sewer & Plumbing Systems Overview
    - Diagnosing & Troubleshooting Blockages in DWV Systems
    - General Guidelines when Working on Stoppages
15. Power Snaking Drains & Sewers
    - General Guidelines When Powersnaking
    - Kitchen Sink Drain Stoppage
    - Dishwasher Drain Stoppage
    - Laundry Sink Drain Stoppage
    - Washing Machine Drain Stoppage
    - Bathroom Sink Drain Stoppage
    - Tub & Shower Stoppages
    - Cuspidor Drain Stoppage
    - Drinking Fountain Drain Stoppage
    - Triple Tray/Commercial Sink Stoppages
    - Floor Drain Stoppages
    - Urinal Stoppage
    - Removal & Reset of a Urinal
    - Toilet Stoppage
    - Removal & Reset of a Toilet
    - Removal & Reset of a Wall Mounted Toilet
    - Cutting Into a Pipe for Drain Cleaning Access
    - Installing a Repair Plate or Plug
    - Branch Drain Stoppage
    - Vent & Stack Line Stoppage
    - Main Drain Stoppage
    - Vent & Stack Line Stoppage in Multi-Story Building
    - Main Drain Stoppage in Multi-Story Building
16. Water Jetting Drains & Sewers
    - General Guidelines when Water Jetting
    - Main Drain Water Jetting
    - Floor Drain & Branch Line Jetting
    - Vent & Stack Line Water Jetting
    - Vent & Stack Line Water Jetting Multi-Story Buildings
    - Sewer Main Water Jetting
17. Grease Traps & Interceptors
    - Indoor Grease Trap/Interceptor Cleaning
    - Outdoor Grease Trap/Interceptor Cleaning
    - Installing Grease Traps/Interceptors
18. Drain Products We Use
    - Bio Clean
    - Root X
    - Citra Jet

19. Drain & Sewer Line Inspections
    - Video Inspections
    - Locating a Sonde
    - Locating a Buried Cleanout
    - Drain & Sewer Dye Testing
    - Crawler Camera Sewer Inspections
    - Underground Pipe Locating
    - Electronic Leak Detection
    - Sewer Odor/Smoke Testing
    - Air & Static Water Testing
20. Conventional Drain & Sewer Line Repairs
    - General Procedures for Excavations
    - Excavating for Section Repair or Access Pits
    - Outside Cleanout Install or Up to 10' Section Repair
    - Excavating for Full Drain Replacement
    - Outside Full Drain Replacement or Over 10' Section Repair
    - Inside Cleanout Install or Up to 10' Section Repair
    - Inside Full Drain Replacement or Over 10' Section Repair
21. Trenchless Relining Drain & Sewer Repairs
    - Relining Materials Needed
    - General Relining Procedures
22. Trenchless Pipe Bursting & Sewer Repairs
    - General Procedure for Pipe Bursting
23. Water Service Repairs and Replacement
    - General Procedure for Water Service Repairs
    - Shutting Water Service Off at Curb – Residential
    - Shutting Water Service Off at Curb – Commercial
    - Conventional Water Service Repair or Replacement
    - Trenchless Water Service Repair or Replacement
24. General Fixture & Drain Repairs
    - Kitchen Sink Drain & Disposal Kit Repair
    - Sink Basket Strainer Replacement
    - Garbage Disposal Repair
    - Garbage Disposal Installation
    - Bathtub Waste & Overflow Assembly Replacement
    - Dye Test Procedure for Testing a Toilet For Leakage
    - Toilet Tank Repair Both Minor & Major
    - Toilet Seat Replacement
    - Flushometer Repair and Replacement
    - Toilet Replacement
    - Urinal Replacement
    - Closet Flange Repair
    - Removing & Replacing Closet Flange
    - Installing a Cleanout on Soil, Waste or Vent Pipe
    - Replacing Soil, Waste or Vent Pipe
    - Installing Backwater Valves
    - Shutting Water Service Off at Meter – Residential
    - Shutting Water Off at Meter – Commercial

25. Pump Repair & Replacement
    - General Procedure for Pump Repair & Replacement
    - Drain Pump Repair & Replacement
    - Drain Pump New Installation
    - Sump Pump Repair & Replacement
    - Sump Pump New Installation
    - Sewage Pump Repair & Replacement
    - Sewage Pump New Installation
    - Grinder Pump Repair & Replacement
    - Grinder Pump New Installation

Service Technician Manual – 45 Pages

1. General Work Description
2. Transportation to Work
3. Work Schedule
4. Time Records
5. Attendance & Punctuality
6. Time Off
7. Weekly Meeting
8. Work Clothes for Technicians & General Grooming
    - Work Clothing Supplied
    - Special Notes
    - Technician's Responsibility for Maintaining the Company Provided Clothing
    - General Grooming & Personal Care
9. Work Day Procedures
    - Morning Truck Inspection
    - First Call Assignments
    - Technicians in the Office
10. Service Titan Management
    - Seeing Your Service Requests
    - Traveling to and Arriving at a Service Call
    - Picking Up a Service Request
    - Price Authorizations
    - Invoicing Service Titan Management Mobile Platform
    - Flagging a Service Request
    - Pausing a Service Request
11. Accepting Payment for Work
    - General Payment Policy
    - Accepting Credit Cards for the Work
    - Accepting Checks
    - Pricing Guidelines
    - Discounts
12. General Warranty Notes
13. Hold Harmless Agreement
14. If a Follow-up Call is Needed
15. Additional Work
16. Callbacks, Warranty Calls & Customer Complaints
    - Definition of a Callback

- Scheduling a Return Visit
- Handling Customer Complaints

17. Awareness of What Might Become an Insurance Claim
18. Getting Materials to the Technicians in the Field
19. People to Contact for Technical Assistance
20. Handling After Hours Calls
21. Priority Calls
22. Professional Attitude
23. Unplugging Appliances and/or Shutting Off Equipment
24. Cleaning Up Debris Around the Work Area
25. Floor & Wall Protection
26. Parking on Customer's Property
27. Customer's Help on a Job
28. Definition of a Residential System
29. Definition of a Commercial System
30. Tools & Equipment
    - Specific Return Procedure for Section Cable/Electric Eel
    - Personal Tools
    - Spot-Checks of Tools
    - Diagnostic Tool Bag Contents
    - Truck Inventory
    - Truck Restocking
    - Winterizing for PTO Water Jet Truck
    - Winterizing for Lombardini Water Jet Truck
31. General Safety Basics & Personal Protection
    - Shoes
    - Eye Wear
    - Contact Lens Use
    - Ear Protection
    - Face Masks
    - Latex Gloves
    - Work Gloves
    - Work Lighting
    - Hard Hats
    - Shoring
    - Clothing
    - Smoking
    - Lifting
    - Red Floor Protector
    - Equipment Safety Guards
    - Power Equipment
    - Ladders
    - Fire Extinguishers
    - Asbestos
    - Material Safety Data Sheets
32. Road-Safety & Vehicle Procedures
    - Use of Seatbelts
    - Use of Electronic Devices While Driving

- Fire Extinguisher
- Flat Tire Procedure
- Reflectors
- Back Up Alarm
- First Aid Kits
- Warning Lights
- "Water in Oil" Light for Diesel Trucks
- Responsibility for Vehicle Safety Equipment
- Responsibility for Checking the Fluid Levels of Zoom Sewer Service Vehicles
- Handling a Leak From a Vehicle
- Procedure to Follow in Case of a Vehicle Accident
- Use of the Vehicle Fuel Card
- Roadside Assistance/Tow Truck After Office Hours
- Truck Condition
- End of Day Repairs
- Driving During Inclement Weather
- Passing School Buses
- Railroad Crossing
- Hitchhikers & Riders
- Stolen Vehicle
- Stolen Property from Within Vehicle

33. Technician End of Day Check-in Procedure
34. Downtime Activities Between Jobs or Before End of Shift
35. Technical Information
    - Definition
    - Technician's Responsibility
    - Collection of Technical Information
    - Attending Classes or Training Sessions

Warehouse & Purchasing Manager Manual – 12 Pages

1. Job Description
2. Procedure for Adding New Parts or Changing Items Stocked on Trucks
3. Typical Workday Schedule
4. Time Tracking Sheet
5. Training Checklist
6. Purchasing
    - Working With our Primary Vendor
    - Purchasing Typical Workday Items to Cover
    - Training Checklist
    - Initial Employment Period
    - Employee Classifications
    - Employee Categories
    - Pay Period & Paydays
    - Pay Rates
    - Payroll Deductions
    - Overtime

EXHIBIT C

STATE LAW ADDENDUM TO FDD AND FRANCHISE AGREEMENT

STATE LAW ADDENDUM - CALIFORNIA

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT.

Notwithstanding anything contained in the Franchise Agreement and Franchise Disclosure Document ("FDD") to the contrary, the following provisions of the California Investment Law shall apply to any franchise or franchisee located in the State of California, which shall control to the extent of any inconsistency:

Item 3 of the FDD is supplemented to include the following:

Neither we nor any person identified in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C. 78a *et seq.*, suspending or expelling such person from membership in such association or exchange.

Item 5 of the FDD and Section 6.1 of the Franchise Agreement shall be supplemented to include the following:

The California Department of Business Oversight has imposed financial assurances based on our financial condition. For this reason, the "initial franchise fees" are to be deferred. The "initial franchise fees" include any payments you make to us and our affiliates for goods and services before your Franchised Business is opened. The initial franchise fees will be deferred until all of our initial obligations to you have been fulfilled and you have opened your Franchised Business for business.

Item 17 of the FDD shall be supplemented to include the following:

California Business & Professions Code Sections 20000 through 20043 provides rights to the franchisee concerning termination or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the California Business & Professions Code Sections 20000 through 20043, the California Business & Professions Code Sections 20000 through 20043 controls.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 *et seq.*).

The Franchise Agreement contains a covenant not to compete which extends beyond the termination or transfer of the franchise. This provision may not be enforceable under California law.

The Franchise Agreement contains a provision requiring you to sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31312 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000 through 31516).

The Franchise Agreement requires application of the law of the State of Pennsylvania. This provision may not be enforceable under California law.

Section 31125 of the California Corporation Code requires the franchisor to give the franchisee a disclosure document, in a form and containing such information as the Commissioner may by rule or order require, prior to a solicitation of a proposed material modification of an existing franchise.

You must sign a general release if you transfer your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business Professions Code 2000 through 20043).

OUR WEBSITE IS WWW.ZOOMDRAIN.COM. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT WWW.DBO.CA.GOV.

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

Other Provisions Unaffected: All other terms and provisions contained in the Franchise Agreement and Franchise Disclosure Document shall remain in full force and effect, except to the extent specifically modified herein.

Dated on the ________ day of ____________, 20___.

ZOOM FRANCHISE COMPANY LLC	FRANCHISEE: ______________
By: ______________	By: ______________
Name: ______________	Name: ______________
Title: ______________	Title: ______________

STATE LAW ADDENDUM - HAWAII

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

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

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

THE NAME AND ADDRESS OF OUR AGENT TO RECEIVE SERVICE OF PROCESS IN THE STATE OF HAWAII IS LISTED IN EXHIBIT F ATTACHED HERETO.

THIS REGISTRATION IS, OR WILL SHORTLY BE ON FILE IN THE FOLLOWING STATES: CALIFORNIA, FLORIDA, HAWAII, ILLINOIS, INDIANA, KENTUCKY, MARYLAND, MICHIGAN, MINNESOTA, NEBRASKA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, TEXAS, UTAH, VIRGINIA, WASHINGTON AND WISCONSIN. NO STATES HAVE REFUSED, BY ORDER OR OTHERWISE, TO REGISTER THESE FRANCHISES. NO STATES HAVE REVOKED OR SUSPENDED THE RIGHT TO OFFER THESE FRANCHISES.

No release language set forth in the Franchise Agreement shall relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising in the State of Hawaii.

The undersigned does hereby acknowledge receipt of this Addendum.

Dated on the _________ day of ______________, 20____.

ZOOM FRANCHISE COMPANY LLC	FRANCHISEE: ____________________
By: ____________________	By: ____________________
Name: ____________________	Name: ____________________
Title: ____________________	Title: ____________________

STATE LAW ADDENDA - ILLINOIS

Notwithstanding anything contained in the in the Franchise Agreement and Franchise Disclosure Document ("FDD") to the contrary, the following provisions of the Illinois Franchise Disclosure Act ("Act") shall apply to any franchise located in the State of Illinois, which shall control to the extent of any inconsistency:

Item 5 of the FDD and Section 6.1 of the Franchise Agreement: The initial franchise fees are deferred until all of our initial obligations to you have been fulfilled and you open your Franchised Business. The initial franchise fees include all fees and payments you make to us and our affiliates for goods and services before you commence doing business. The Illinois Attorney General's Office has imposed this deferral requirement due to our financial condition.

The State Cover Page and Item 17v. and 17 w of the FDD, and Sections 17.2 And 18.5 of the Franchise Agreement: Choice of Law and Choice of Forum shall be Illinois. Any provision in the Franchise Agreement, including but not limited to Sections 17.2 and 18.5 of the Franchise Agreement, which designates choice of law, jurisdiction or venue in a forum outside the State of Illinois is void.

Termination or Nonrenewal Franchise: The Act provides rights to you concerning nonrenewal and termination of the Franchise Agreement. If the Franchise Agreement contains a provision that is inconsistent with the Act, the Act will control.

Participation in Trade Associations: Franchisor will not in any way restrict any franchisee from joining or participating in any trade association.

Waiver. 815 ILCS 705/41 provides that the rights provided by the Act along with other laws of the State of Illinois may not be waived. Consequently, any release of claims or acknowledgements of fact contained in the Franchise Agreement that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act or any other law of the State of Illinois shall be void and hereby deleted with respect to claims under the Act or any other law of the State of Illinois.

Waiver of Jury Trial. Section 17.5 of the Franchise Agreement may not be enforceable under Illinois law.

Statute of Limitations. Section 17.3 of the Franchise Agreement may not be enforceable under Section 705/27 of the Act and is hereby modified accordingly.

Other Provisions Unaffected: All other terms and provisions contained in the Franchise Agreement shall remain in full force and effect, except to the extent specifically modified herein.

Dated on the ________ day of _____________, 20___.

ZOOM FRANCHISE COMPANY LLC	FRANCHISEE: ________________________
By: ____________________________	By: ________________________________
Name: __________________________	Name: ______________________________

Title: ______________________________

Title: ______________________________

STATE LAW ADDENDUM - INDIANA

This Addendum shall pertain to franchises sold in the State of Indiana and shall be for the purpose of complying with Indiana statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement and Franchise Disclosure Document ("FDD") to the contrary, each shall be amended as follows:

In recognition of the requirements of the Indiana Deceptive Franchise Practices Act, Indiana Code 23-2-2.7, the parties agree as follows:

1. The release that you must sign as a condition to renewal or transfer shall not apply to claims arising under the Indiana Deceptive Franchise Practices Law, Indiana Code 23-2-2.7.

2. The Indiana Franchise Law (Indiana Code 23 2 2.5 and 23 2 2.7) will control where applicable.

All other terms and provisions contained in the Franchise Agreement shall remain in full force and effect, except to the extent specifically modified herein.

Dated on the ________ day of ____________, 20___.

ZOOM FRANCHISE COMPANY LLC	FRANCHISEE: ____________________
By: ____________________	By: ____________________
Name: ____________________	Name: ____________________
Title: ____________________	Title: ____________________

STATE LAW ADDENDUM - MARYLAND

The following provisions of the Maryland Franchise Registration and Disclosure Law ("Maryland Franchise Law") shall apply to any franchises sold or offered for sale within the State of Maryland, located in this State or to a Maryland resident, which shall amend the Franchise Agreement to the extent of any inconsistency in the Franchise Disclosure Document ("FDD") or the Franchise Agreement:

Item 17v. and 17 w. of the FDD, Sections 17.2 and 17.3 of the Franchise Agreement: A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Law. Any claims arising under the Maryland Franchise Law must be brought within 3 years after the grant of the franchise.

Section 15.3 of the Franchise Agreement: At the end of this Section, add the following sentence: "The provision in this Agreement which terminates the franchise upon the bankruptcy of the franchisee may not be enforceable under federal bankruptcy law, Title 11, United States Code Section 101 et.seq."

Article 19 and Section 20.1 and of the Franchise Agreement: Any provision of Article 19 or Section 20.1 of the Franchise Agreement that requires prospective franchisees to disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Maryland Franchise Law are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Law.

Franchise Agreement and the Franchise Disclosure Questionnaire: "Notwithstanding anything in the Franchise Agreement or the Franchise Disclosure Questionnaire to the contrary, all representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Dated on the ________ day of ____________, 20___.

ZOOM FRANCHISE COMPANY LLC	FRANCHISEE: ______________________
By: ___________________________	By: ___________________________
Name: _________________________	Name: _________________________
Title: __________________________	Title: __________________________

STATE LAW ADDENDUM - MINNESOTA

Notwithstanding anything contained in the foregoing Franchise Agreement and Franchise Disclosure Document ("FDD") to the contrary, the following provisions of the Minnesota Franchise Act shall apply to any franchise or franchisee located in the State of Minnesota, which shall control to the extent of any inconsistency:

1. Item 5 and Section 6.1 of the Franchise Agreement are hereby amended as follows: The initial franchise fees include fees and payments you make to us and our affiliates for goods and services before your Franchised Business opens for business. The initial franchise fees will be deferred until all of our initial obligations to you have been fulfilled and the opening of your Franchised Business.

2. The following paragraph is added to Section 12.4 of the Franchise Agreement and Item 13 of the FDD:

   We agree to protect you against claims of infringement or unfair competition with respect to your authorized use of the Marks when, in the opinion of counsel to us, your rights granted therein warrant protection.

3. Section 17.2 of the Franchise Agreement, the State Cover Sheet and Item 17v and 17w of the FDD are modified to provide the following: Minn. Stat. §§80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the FDD or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the law of Minnesota.

4. Sections 4.3, 15.1, 15.2 and 15.3 of the Franchise Agreement and Item 17 of the FDD are hereby modified to provide the following: With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sect 80C.14, subds. 3, 4 and 5 which require, except in certain specified cases, that you will be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement.

5. Sections 4.3 and 14.2 of the Franchise Agreement and 17.b and 17.m of the FDD are hereby modified as follows: Any release executed in connection herewith will not apply to any claims that may arise under the Minnesota Franchise Act.

6. Sections 17.2, 17.4 and 17.5 of the Franchise Agreement and 17b, 17.v and 17.w of the FDD are hereby modified to the extent required by the follows:

"Minnesota Statues, Section 80C.21 and Minnesota Rule 2860.4400 (J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of jury trail, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce any of franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction."

7. Section 17.3 of the Franchise Agreement is hereby modified as follows: The limitation of claims is 3 years instead of 2 year pursuant to the Minnesota Statutes, Section 80C.17, Subd.5.

8. Other Provisions Unaffected: All other terms and provisions contained in the Franchise Agreement

and FDD shall remain in full force and effect, except to the extent specifically modified herein.

Dated on the _________ day of ______________, 20___.

ZOOM FRANCHISE COMPANY LLC

By: ______________________________

Name: ____________________________

Title: _____________________________

FRANCHISEE: ___________________________

By: ___________________________________

Name: ________________________________

Title: _________________________________

STATE LAW ADDENDUM – NEW YORK

Notwithstanding anything contained in the Franchise Agreement and Franchise Disclosure Document ("FDD") to the contrary, the following provisions of the New York State Franchise Act shall apply to any franchise or franchisee located in the State of New York, which shall control to the extent of any inconsistency:

Item 3 shall be supplemented by the following:

A. Neither the franchisor, its predecessor, a person identified in Item 2, nor an affiliate offering franchises under the franchisor's principal trademark 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. Nor do we, any predecessor, any person identified in Item 2, or any affiliate offering franchises under the franchisor's principal trademark have any pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

B. Neither the franchisor, its predecessor, a person identified in Item 2, nor an affiliate offering franchises under the franchisor's principal trademark has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten-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.

C. Neither the franchisor, its predecessor, a person identified in Item 2, nor an affiliate offering franchises under the franchisor's principal trademark 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.

Item 4 shall be supplemented by the following:

Neither the franchisor nor any of its affiliates, predecessors, officers, or general partner, during the 10-year period immediately before the date of the offering circular, has: (a) filed as a debtor (or had filed against it, him or her) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its, his or her debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of the franchisor held this position in the company or partnership.

Item 5 shall be supplemented by the following:

All franchisee fees are applied to the franchisor's general operating fund. All obligations of franchisor, whether to franchisees or otherwise, are paid out of this fund. The Initial Franchise Fee is uniformly imposed.

Item 17 and the Franchise Agreement shall be supplemented by the following:

1. Any provision of the Franchise Agreement and Paragraph "d" under Item 17 of the FDD titled "Termination by franchisee", shall be supplemented to state that the franchisee may terminate the agreement on any grounds available by applicable law.

2. Any provision of the Franchise Agreement and Paragraph "j" under Item 17 of the FDD titled "Assignment of contract by franchisor", shall be supplemented as follows:

> However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor is willing and financially able to assume the franchisor's obligations under the agreement.

3. The Franchise Agreement and Paragraph "w" under Item 17 of the FDD, are supplemented by the following provision:

> Any choice of law provision shall not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by the provisions of Article 33 of the New York State General Business Law.

All other terms and provisions contained in the Franchise Agreement and FDD shall remain in full force and effect, except to the extent specifically modified herein.

Dated on the ________ day of _____________, 20___.

ZOOM FRANCHISE COMPANY LLC	FRANCHISEE: ______________________
By: ___________________________	By: ______________________________
Name: _________________________	Name: ____________________________
Title: __________________________	Title: _____________________________

STATE LAW ADDENDUM – NORTH DAKOTA

The following modifies and supersedes the Franchise Disclosure Document ("FDD") and Franchise Agreement with respect to franchises offered for sale or sold in the State of North Dakota, as followings:

1. Item 17 (c): The requirement that the franchisee sign a release upon renewal of the Franchise Agreement (Section 4.3), is unenforceable to the extent that it conflicts with North Dakota law.

2. Item 17(r): The covenant not to compete found in the Franchise Agreement (Section 16.3) is generally considered unenforceable to the extent that the covenant conflicts with North Dakota law.

3. Item 17(v): The provisions in the Franchise Agreement (Section 17.2) that require franchisee to consent to litigation being conducted in a forum other than the State of North Dakota are unenforceable to the extent that these provisions conflict with North Dakota law.

4. Item 17(w): The provisions in the Franchise Agreement (Section 18.5) that require these agreements be governed by a state's law, other than the State of North Dakota, are unenforceable to the extent that these provisions conflict with the North Dakota law. The North Dakota Law will then apply.

5. The provisions concerning waiver of trial by jury in the Franchise Agreement (Section 17.5) are unenforceable to the extent that these provisions conflict with North Dakota Law.

6. The provisions concerning waiver of waiver of exemplary and punitive damages in the Franchise Agreement (Section 17.4) are unenforceable to the extent that these provisions conflict with North Dakota Law.

7. The provisions in the Franchise Agreement (Section 17.3) that require franchisees to consent to a limitation of claims are unenforceable to the extent that they conflict with North Dakota. The statute of limitations under North Dakota law will then apply.

8. All other terms and provisions contained in the Franchise Agreement and FDD shall remain in full force and effect, except to the extent specifically modified herein.

Dated on the ________ day of _____________, 20___.

ZOOM FRANCHISE COMPANY LLC	FRANCHISEE: ______________________
By: ____________________________	By: ______________________________
_______________, ____________	_______________, ________________

STATE LAW ADDENDUM - RHODE ISLAND

The following modifies and supersedes the Franchise Disclosure Document ("FDD") and Franchise Agreement with respect to franchises offered for sale or sold in the State of Rhode Island, as followings:

§19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act." Therefore, Item 17v. and 17 w. of the FDD and Sections 17.2 and 18.5 of the Franchise Agreement are hereby modified.

All other terms and provisions contained in the Franchise Agreement and FDD shall remain in full force and effect, except to the extent specifically modified herein.

Dated on the _________ day of ______________, 20___.

ZOOM FRANCHISE COMPANY LLC	FRANCHISEE: ________________________
By: ___________________________	By: ___________________________
Name: ___________________________	Name: ___________________________
Title: ___________________________	Title: ___________________________

STATE LAW ADDENDUM – SOUTH DAKOTA

Notwithstanding anything contained in the Franchise Agreement and Franchise Disclosure Document ("FDD") to the contrary, the following provisions shall apply to any franchise or franchisee located in the State of South Dakota, which shall control to the extent of any inconsistency:

The State of South Dakota has imposed a financial condition that the initial franchise fees will be deferred until the franchise is open for business.

All other terms and provisions contained in the Franchise Agreement and FDD shall remain in full force and effect, except to the extent specifically modified herein.

Dated on the ________ day of _____________, 20___.

ZOOM FRANCHISE COMPANY LLC	FRANCHISEE: ______________________
By: ____________________________	By: ____________________________
Name: __________________________	Name: __________________________
Title: ___________________________	Title: ___________________________

STATE LAW ADDENDUM - VIRGINIA

The following provisions of the Virginia Retail Franchising Act shall apply to any franchises sold or offered for sale within the State of Virginia, located in this State or to a Virginia resident, which shall control to the extent of any inconsistency in the Franchise Disclosure Document ("FDD") or the Franchise Agreement:

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the Franchise Agreement.

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

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

Dated on the ________ day of _____________, 20___.

ZOOM FRANCHISE COMPANY LLC	FRANCHISEE: ________________________
By: ___________________________	By: ___________________________
Name: _________________________	Name: _________________________
Title: __________________________	Title: __________________________

STATE LAW ADDENDUM – WASHINGTON

Notwithstanding anything contained in the Franchise Agreement and Franchise Disclosure Document ("FDD") to the contrary, the following provisions of the Washington Franchise Investment Protection Act shall apply to any franchise or franchisee located in the State of Washington, which shall control to the extent of any inconsistency:

In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee (a) has received all initial training that it is entitled to under the franchise agreement or offering circular, and (b) is open for business.

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

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

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

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

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

The undersigned does hereby acknowledge receipt of this addendum.

Dated on the _________ day of _____________, 20____.

ZOOM FRANCHISE COMPANY LLC	FRANCHISEE: _______________________
By: _________________________	By: _________________________
Name: _______________________	Name: _______________________
Title: _______________________	Title: _______________________

STATE LAW ADDENDA - WISCONSIN

The Securities Commissioner of the State of Wisconsin requires that certain provisions contained in franchise documents be amended to be consistent with Wisconsin Fair Dealership Law, Wisconsin Statutes, Chapter following, such provisions are hereby amended:

a. The Wisconsin Fair Dealership Law, among other things, grants franchisees the right, in most circumstances, to 90 days prior written notice of termination or non-renewal and 60 days within which to remedy any claimed deficiencies. If the Franchise Agreement contains a provision that is inconsistent with these provisions of the Wisconsin Fair Dealership Law, the provisions of the Franchise Agreement shall be superseded by the Law's requirements and shall have no force or effect.

b. If the Franchise Agreement requires that it be governed by a state's law, other than the State of Wisconsin, to the extent that any provision of the Franchise Agreement conflicts with the Wisconsin Fair Dealership Law such provision shall be superseded by the law's requirements.

Each provision of this State Law Addenda shall be effective only to the extent that the jurisdictional requirements of the Wisconsin law applicable to the provision are met independent of this State Law Addenda. This State Law Addenda shall have no force or effect if such jurisdictional requirements are not met.

As to any state law described in this State Law Addenda that declares void or unenforceable any provision contained in the Franchise Agreement, the franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you have initiated.

Dated on the ________ day of ______________, 20___.

ZOOM FRANCHISE COMNPANY LLC	FRANCHISEE: ______________________
By: ______________________	By: ______________________
Name: ______________________	Name: ______________________
Title: ______________________	Title: ______________________

EXHIBIT D

LIST OF FRANCHISEES

Franchised Outlet

Drain Cleaning and Repairs USA, LLC
1134 North Blvd. East
Leesburg, FL 34748
352-805-4775

Zoom Logos, Inc.
3 Eisenhower Dr.
Westbrook, ME 040382
207-807-4752

410 Plumber Sewer & Drain, Inc.
205 Carroll Island Rd.
Baltimore, MD 21220
410-406-7300

Zoomaha, LLC
6215 Grover Street
Omaha, NE 68106
402-979-9666

DBTNJ, LLC
263 Ridge Rd.
Lyndhurst, NJ 07071
201-522-4846

Campbell Drain Services, LLC
1049 Kings Highway
West Deptford, NJ 08086
856-367-8100

Better Jetter LLC
Attn: Ray Gremaux
1560A Locust Avenue
Bohemia, NY 11716
516-795-5000

Knighton Plumbing, Inc.
1510 Whispering Meadow Lane
Kaysville, UT 84037
801-609-9004

Zoom Seattle, LLC
10011 Greenwood Avenue N
Seattle, WA 98133
206-851-8007

Franchise Agreement Signed But Outlet Not Opened

None.

Affiliate Owned Outlet

Zoom Sewer & Drain Cleaning Service, Inc.
915 South Trooper Road
Norristown, PA 19403
610-650-0555

Zoom Sewer & Drain Cleaning Service, Inc.
9216 State Road
Philadelphia, PA 19114
610-650-0555

FRANCHISEES WHICH LEFT THE SYSTEM

(The list of franchisees which have been terminated, cancelled, transferred, not renewed or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the Issuance Date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.)

Rooter Rescue, Ltd.
Allentown, PA
610-854-9006

EXHIBIT F

LIST OF STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

NOTE: SOME STATES REQUIRE THAT THE FRANCHISE BE REGISTERED WITH A STATE AGENCY. WE DO NOT OFFER OR SELL FRANCHISES IN ANY OF THOSE STATES UNLESS WE ARE REGISTERED, AND THE LISTING OF A STATE BELOW DOES NOT MEAN THAT WE ARE SO REGISTERED.

California
Department of Business Oversight
One Sansome Street, Suite 600
San Francisco, CA 94104
(415) 557-3787
(866) 275-2677

Florida
Department of Agriculture and Consumer Services
Division of Consumer Services
227 N. Bronough Street
City Centre Building, 7th Floor
Tallahassee, FL 32301
(904) 922-2770

Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, HI 96813
(808) 586-2722

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

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

Maryland
Office of Attorney General
Maryland Division of Securities
200 St. Paul Place
Baltimore, MD 21202-2020
(410) 576-6360

Michigan
Attorney General
Consumer Protection Division
Antitrust and Franchise Unit
525 W. Ottawa Street
G. Mennen Williams Bldg. 1st Fl
Lansing, MI 48913
(517) 373-7117

Minnesota
Department of Commerce
Registration and Licensing
85 7th Place East, Suite 500
St. Paul, MN 55101
(612) 296-6328

Nebraska
Department of Banking and Finance
1526 K Street, Suite 300
P.O. Box 95006
Lincoln, NE 68508
(402) 471-3445

New York
NY State Attorney General
Division of Economic Justice
Investor Protection Bureau
28 Liberty Street
New York, NY 10005
(212) 416-8236 Phone

North Dakota
North Dakota Securities Department
600 East Boulevard, State Capitol, 5th Floor, Dept. 414
Bismarck, ND 58505-0510
(701) 328-4712

Oregon
Depart. of Ins. and Finance
Corporate Securities Section
Labor and Industries Building
Salem, OR 97310
(503) 378-4387

Rhode Island
Depart. of Business Regulation
Division of Securities
233 Richmond Street, Suite 232
Providence, RI 02903
(401) 222-3048

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

Texas
Secretary of State
Statutory Document Section
P.O. Box 13563
Austin, TX 78711
(512) 475-1769

Virginia
State Corporation Commission
Division of Securities and Retail Franchising
1300 E. Main Street, 9th Floor
Richmond, VA 23219
(804) 371-9051

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

Wisconsin
Department of Financial Institutions Div. of Securities
345 W. Washington Ave., 4th FL
Madison, WI 53703
(608) 261-9555

Agents for Service of Process

California
Commissioner of the Dept. of Business Oversight
California Dept. of Corporations
320 West 4th Street, Suite 750
Los Angeles, California 90013-2344
(213) 576-7505
(866) 275-2677

Hawaii
Commissioner of Securities
Business Registration Division
335 Merchant Street, Room 203
Honolulu, HI 96813
(808) 586-2722

Illinois
Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-1090

Indiana
Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6531

Maryland
Maryland Securities Commissioner
200 St. Paul Place
Baltimore, Maryland 21202-2020
(410) 576-6360

Michigan
Department of Commerce,
Corporations and Securities Bureau
6546 Mercantile Way
Lansing, Michigan 48910
(517) 334-6212

Minnesota
Commissioner of Commerce
Department of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101
(612) 296-4026

New York
Attention: New York Secretary of State
New York Department of State
One Commerce Plaza
99 Washington Avenue, 6th Floor
Albany, New York 12231-0001
(518) 473-2492

North Dakota
North Dakota Securities Department
600 East Boulevard, State Capitol
5th Floor, Dept. 414
Bismarck, ND 58505-0510
(701) 328-4712

Oregon
Director of Oregon
Department of Insurance and Finance
700 Summer Street, N.E., Suite 120
Salem, Oregon 97310
(503) 378-4387

Rhode Island
Director of Rhode Island
Department of Business Regulation
233 Richmond Street, Suite 232
Providence, Rhode Island 02903-4232
(401) 222-3048

South Dakota
Director of South Dakota Division of Insurance
124 S Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-3563

Virginia
Clerk of the State Corporation Commission
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
(804) 371-9733

Washington
Securities Administrator
Department of Fi-nancial Institutions
150 Israel Rd.
Tumwater, Washington 98501
(360) 902-8760

Wisconsin
Wisconsin Commissioner of Securities
345 W. Washington Ave., 4th Floor
Madison, Wisconsin 53703
(608) 261-9555

EXHIBIT G

RELEASE

GENERAL RELEASE

THIS GENERAL RELEASE (the "**General Release**") is made by the undersigned (hereinafter "**Releasor(s)**") for the benefit of Zoom Franchise Company, LLC, a Pennsylvania limited liability company (hereinafter, "**Franchisor**"), on this ____ day of __________, 20___.

RECITALS:

WHEREAS, Releasor is a Zoom Business franchisee and operates a Zoom Business (the "**Franchised Business**") pursuant to that certain franchise agreement dated ____________(the "**Franchise Agreement**");

WHEREAS, Releasor desires to renew its franchise with Franchisor or desires Franchisor's consent to ____________________________ in connection with the Franchise Agreement; and

WHEREAS, certain states require certain changes be made to this General Release specific to such state.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, Releasor hereby agrees, covenants and promises as follows:

1. Releasor, on behalf of itself and each of the persons and entities described in Section 2 hereof, hereby absolutely and forever releases, remises and discharges Franchisor and each of the persons and entities described in Section 3 hereof, from any and all claims, demands, damages, liabilities, costs (including, but not limited to reasonable attorneys' fees, accounting fees or experts' fees, and the costs of litigation, arbitration or other proceedings), expenses, liens, losses, charges, audits, investigations, injunctions, orders, rulings, subpoenas, controversies, obligations, debts, loans, interest, dues, accounts, awards, reckonings, bonds, bills, covenants, promises, undertakings, variances, trespasses, judgments, executions, sums of money owed, arbitrations, suits, decisions, proceedings, verdicts entered, issued, made or rendered and causes of action of every kind and nature whatsoever, whether now known or unknown, suspected or unsuspected, which Releasor now has, owns or holds, or at any time heretofore ever had, owned or held, or could, shall or may hereafter have, own or hold, pertaining to, arising out of or in connection with the Franchise Agreement, any related agreements or the franchisor franchisee relationship between Releasor and Franchisor. Notwithstanding the foregoing, if this General Release is entered into in conjunction with the renewal, assignment or transfer of the Franchise Agreement, the foregoing release shall not apply to any liability under any state franchise law which governs this Release.

2. Releasor hereby understands and agrees that this General Release shall extend to and be binding upon any and all of Releasor's past, present and future officers, directors, owners, employees, representatives, agents, trustees, successors, affiliates and assigns, and their respective insurers and underwriters. If more than one party shall execute this General Release, the term "Releasor" shall mean and refer to each of the parties executing this General Release, and all such parties shall be bound by its terms, jointly and severally.

3. Releasor hereby understands and agrees that this General Release shall extend to and inure to the benefit of Franchisor and any and all of Franchisor's past, present and future officers, directors, owners, employees, representatives, agents, trustees, successors, affiliates and assigns, and their respective insurers and underwriters.

4. Releasor hereby understands and agrees that this General Release supersedes any prior agreement, oral or written, with respect to its subject matter. Releasor understands and agrees that no representations, warranties, agreements or covenants have been made by Franchisor with respect to this General Release, other than those expressly set forth herein, and that in executing this General Release, Releasor is not relying upon any representations, warranties, agreements or covenants not expressly set forth in this General Release.

5. This General Release may not be changed except in a writing signed by the person(s) against whose interest such change shall operate. This General Release and all acts and transaction under it shall in all respects be interpreted, enforced and governed by the internal laws of the state in which Franchisor's principal place of business is located without regard to principles of conflicts of law

6. If any provision of this General Release is found or declared invalid or unenforceable by any arbitrator, court or other competent authority having jurisdiction, such finding or declaration shall not invalidate any other provision hereof and this General Release shall thereafter continue in full force and effect except that such invalid or unenforceable provision, and (if necessary) other provisions hereof, shall be reformed by such arbitrator, court or other competent authority so as to effect insofar as is practicable, the intention of the parties set forth in this General Release, provided that if such arbitrator, court or other competent authority is unable or unwilling to effect such reformation, the invalid or unenforceable provision shall be deemed deleted to the same extent as if it had never existed.

7. Releasor hereby certifies that Releasor has read all of this General Release and fully understands all of the same, and that Releasor has executed this General Release only after having received full legal advice and disclosure as to Releasor's rights from legal counsel of Releasor's choice.

IN WITNESS WHEREOF, each Releasor party hereto has executed this General Release effective as the day and year first above written.

RELEASOR:

____

By: ____________________________
Name: __________________________
Title: ___________________________

____

____

____

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

RECEIPTS
(OUR COPY)

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

If Zoom Franchise Company, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to the franchisor or an affiliate in connection with the proposed franchise sale. Under Iowa law, if applicable, Zoom Franchise Company, LLC must provide this disclosure document to you at the earlier of our first personal meeting to discuss the franchise or 14 days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sales. Under Michigan law, if applicable, Zoom Franchise Company, LLC must provide this disclosure document to you at least 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. Under New York law, if applicable, Zoom Franchise Company, LLC must provide you this disclosure document at the earlier of the first personal meeting or 10 business days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sales.

If Zoom Franchise Company, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified in **Exhibit F**.

The name, principal business address and telephone number of each franchise seller offering the franchise: Ellen Rohr and James Criniti, Zoom Franchise Company, LLC, 915 South Trooper Road, Norristown, PA 19403, 877-629-7647; and ________________________.

Date of Issuance: February 5, 2019. The State effective dates are on an exhibit following the State Cover Page.

See **Exhibit F** for our registered agents authorized to receive service of process.

I have received a disclosure document dated February 5, 2019, that included the following Exhibits:

A.	Franchise Agreement	E.	Financial Statements
B.	Table of Contents of Manuals	F.	List of State Agencies/Agents for Service of Process
C.	State Law Addendum to FDD and Franchise Agreement	G.	Release
D.	List of Franchisees	H.	Receipts

______________	______________	______________
Date	Signature	Printed Name
______________	______________	______________
Date	Signature	Printed Name

Please sign this copy of the receipt, date your signature, and return it to Zoom Franchise Company, LLC, 915 South Trooper Road, Norristown, PA 19403.