

FRANCHISE DISCLOSURE DOCUMENT

MOLDMAN FRANCHISOR, LLC
An Oklahoma Limited Liability Company
2607 W. 25th Street
Chicago, IL 60608
312-967-4099



MOLDMAN[®]

Fighting Mold Since 2006

www.MoldmanUSA.com

We offer qualified individuals and entities the right to own and operate a franchised business that offers mold inspections, mold testing, mold remediation, water damage remediation and biohazard remediation services utilizing our MOLDMAN System (each, a “Franchise”). In addition to these primary services, Franchises may also offer related minor cleaning and repair services such as general cleanup, minor drywall repair, painting and caulking (used sometimes with the primary services), but we do not offer construction services provided by licensed contractors, such as plumbing, electrical, roofing, or HVAC services. We also offer existing mold remediation businesses the opportunity to convert their existing business into a Franchise.

The total investment necessary to begin operation of a Franchise for a single Prospect Pool ranges from \$9,091 to \$36,611 with \$863 paid to the franchisor or an affiliate. The total investment necessary to begin operation of a Conversion Franchise for a single Prospect Pool ranges from \$6,521 to \$36,611 with \$863 paid to the franchisor or an affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you, including an electronic version. If you elect to receive an electronic version, you may print or download the disclosure document for future reference. You have the right to receive a paper copy of the disclosure document by mail or by personal delivery until the time of sale. To obtain a paper copy, or to discuss the different formats, contact Devin Renberg, Director of Operations, by email at devinrenberg@moldmanusa.com, or by mail at 2607 W. 25th Street, Chicago, IL 60608, or by phone at 312-967-4099.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as “*A Consumer's Guide to Buying a Franchise*,” which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance date: April 22, 2024

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit D.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor’s direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit B includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my franchise be the only MOLDMAN franchise in my area?	Item 12 and the “territory” provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What’s it like to be a MOLDMAN franchisee?	Item 20 or Exhibit D lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

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

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

FRANCHISE DISCLOSURE DOCUMENT

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EXHIBITS TO FDD

- Exhibit A – Franchise Agreement
- Exhibit B – Financial Statements
- Exhibit C – State Administrators/Agents for Service of Process
- Exhibit D – List of Franchisees and Former Franchisees
- Exhibit E – Table of Contents of Operations Manual
- Exhibit F – State Addenda to the FDD

ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Disclosure Document “we”, “us” or “our” means Moldman Franchisor, LLC. “You” means the individual, corporation or partnership who buys the Franchise from us. If the franchisee will operate through a corporation, company or partnership, “you” also includes the franchisee’s owners or partners.

The Franchisor

We were formed as an Oklahoma Limited Liability Company on May 10, 2021. We do business under our corporate name and the name “MOLDMAN.” Our principal business address is 2607 W. 25th Street, Chicago, Illinois 60608.

Our agents for service of process are listed on Exhibit C.

We grant franchisees the right to independently own and operate a franchised business that offers mold inspections, mold testing, mold remediation, water damage remediation and biohazard remediation services utilizing our MOLDMAN System (previously defined as a “Franchise”). In addition to these primary services, Franchises may also offer related minor cleaning and repair services such as general cleanup, minor drywall repair, painting and caulking (used sometimes in the aforementioned primary services), but do not offer construction services provided by licensed contractors, such as plumbing, electrical, roofing, or HVAC services (collectively, the “Approved Services”). The Franchises operate under the marks “MOLDMAN” and “MOLDMAN (design)” as well as other trademarks and tradenames designated by us (collectively, the “Marks”) and also operate utilizing our proprietary business system described more fully below.

We do not currently operate any business in this line of business, nor have we ever offered, franchises in any other line of business, although we reserve the right to do so in the future.

Our Parent, Predecessors and Affiliates

We have no parents, predecessors or affiliates that provide products or services to the Franchises.

Our affiliate, Moldman Enterprises, LLC, was formed on March 29, 2012, as a Delaware Limited Liability Company, and owns and operates one (1) MOLDMAN business in Chicago, Illinois through its wholly-owned subsidiary, Moldman Services, LLC, an Illinois Limited Liability Company. Moldman Enterprises, LLC converted to an Oklahoma limited liability company on January 1, 2021. Our affiliate owns the Marks used in connection with the Franchise and has sublicensed the rights to use the Marks. See Item 13.

Prior Experience

Our founder, Gregory Bukowski, started MOLDMAN as a sole proprietorship that offered mold inspections and mold testing in Chicago, Illinois in 2006. In 2007, MOLDMAN began offering professional mold removal as well. In 2014, MOLDMAN opened a new company-owned location in St. Louis, Missouri and in 2017, it opened its second company-owned location in Chicago,

Illinois. In 2012, MOLDMAN restructured from a sole proprietorship to a limited liability company as described above.

The Franchise and System

Each Franchise is operated in accordance with our distinctive and proprietary business formats, systems, methods, procedures, techniques, designs, standards and specifications, specific marketing and sales procedures, cleaning, and restoration processes and systems, all of which we (or our affiliates) may improve, further develop or otherwise modify from time to time (collectively referred to as the “MOLDMAN System” or “System”). You will identify that you are a Franchise by exhibiting the Marks on your marketing materials, employee uniforms, stationery, business cards, invoices, and other business supplies and materials.

Our relationship with you is governed by the terms of our then-current franchise agreement (the “Franchise Agreement”), attached as Exhibit A to this Disclosure Document. Each Franchise will market and service a specifically defined prospect pool (the “Prospect Pool”) as defined in the Franchise Agreement.

Although the following services, if offered separately, fall outside of the “Approved Services” to be offered by your Franchise, including plumbing, electrical, roofing, HVAC and other construction services, if such services are part of the scope of work required to complete the mold remediation, water damage remediation, or biohazard remediation services, then you must invoice such services in our Job Software and pay Royalty on such services. However, you may subcontract these other construction services to other contractors or provide these services on your own if you choose, but you are responsible for adhering to all additional local, state and federal laws with regards to licensing, insurance, etc. associated with such services whether you subcontract them out or do them on your own. In addition, all of our Approved Services are subject to our Royalty, regardless of how you got the work. For example, if you are a roofer, and you purchase a Franchise that is run alongside your roofing business, then any and all mold remediation, water damage remediation, or biohazard remediation you do is subject to our Royalty, as well as related minor cleaning and repair services that naturally fit with these services, regardless of whether the customer contacted your Franchise or your separate roofing company.

You are free to offer other services in the home that are not part of the Franchise and are not subject to our Royalty, but you assume all liability and are responsible for following all local, state and federal laws. You must also make it clear to the customer that these additional services are NOT being offered by MOLDMAN, but by a separate company or you as an Individual.

Our Approved Services may be amended to include other services and products from time-to-time in our proprietary operations manual (the “Operations Manual”) or otherwise and ancillary products under the Marks. Our Approved Services must utilize our methods and operating systems as defined in our Operations Manual.

Conversion Franchisees

In addition to a Standard Franchise, we offer a conversion program for existing mold and/or water damage businesses that qualify and otherwise meet our standards to convert to a Franchise (“Conversion Franchisees”). As explained in item 6, we offer Conversion Franchisees a reduced Royalty for a certain period of time based on prior year sales volumes. Conversion Franchisees may also have reduced initial training requirements, as well as reduced startup costs

and other fees depending on their experience level and what they currently already own through their existing business.

Competition and Laws and Industry Regulations

Your Franchise will compete with similar mold and water damage restoration services like other mold and water damage companies, carpet cleaners, carpenters, property remediation contractors, general contractors, specialty contractors like plumbers, and cleaning services, including other national, regional and local franchise systems. Additionally, the Franchise may compete with businesses owned by us which provide similar remediation services as those provided by the Franchise. The market for mold services is well developed.

The Franchise is subject to all federal, state and local laws regulating mold, including all health, safety, environmental and sanitation laws and regulations. Your state, county or local government may also require a contractor's license or permit to perform some of the mold work we permit you to perform, and you must be licensed before offering any regulated services. Certain states may also require a license for mold work.

Your Franchise will also be subject to laws or regulations that are not specific to the mold industry, but applicable to businesses in general, including zoning laws, labor laws, the Fair Labor Standards Act, workers' compensation laws, business licensing laws and tax regulations, the Occupational Health and Safety Act, and the Americans with Disabilities Act.

Regardless of any applicable regulations, you must demonstrate to us that you possess the qualifications required to perform the Approved Services offered by Franchises.

You should investigate these laws and regulations and keep apprised of changes that are made in areas that you service. You are solely responsible to investigate and determine licensing requirements or testing requirements in the area you would like to service before signing the Franchise Agreement. It is your sole responsibility to investigate and comply with these laws and regulations.

You must maintain any required license(s) and/or permits in good standing with the applicable licensing authority for the entire term of the Franchise Agreement.

ITEM 2 BUSINESS EXPERIENCE

Co-CEO: Gregory Bukowski

Greg has been our co-CEO since February 2024. Previously, Greg served as our CEO, Co-Owner and Founder from our inception in May 2021 until February 2024. Greg has also been the CEO, Co-Owner and Founder of our affiliate, Moldman Enterprises, LLC, since its inception as a sole proprietorship in 2006 and then as a limited liability company in March 2012.

Co-CEO, COO: Devin Renberg

Devin has been our Co-CEO since February 2024. Previously, Devin served as our COO and Co-Owner from our inception in May 2021 until February 2024. Devin has also been the Co-Owner and Director of Operations of our affiliate, Moldman Enterprises, LLC, since July 2015.

Marketing Director: Alison Banks

Alison has been our Marketing Director since March 2022. Previously, she served as a part-time marketing assistant for our affiliate, Moldman Enterprises, LLC, from January 2015 until March 2022.

Human Resources Director: Amanda Boling

Amanda has been our Human Resources Director since March 2022. Previously, she served as a customer service representative for our affiliate, Moldman Chicago from January 2018 until December 2019. She has also been the bookkeeper for our affiliate, Moldman Enterprises, LLC since January 2020.

Director of Chicago REO Division: David Christensen

David has been our Director of our Chicago REO Division since February 2024. Previously David served as our General Manager of our Chicago REO Division with our affiliate, Moldman Services, LLC from December 2019 until February 2024. He is also our Director of National Accounts for and has been since our inception. Previously, he served as an estimator for our affiliate, Moldman Chicago, LLC, from July 2017 until August 2017 and then as the Director of Field Operations of Moldman Chicago, LLC from August 2017 until July 2018 and then as the General Manager of Moldman Chicago from July 2018 until December 2019.

**ITEM 3
LITIGATION**

No litigation is required to be disclosed in this Item.

**ITEM 4
BANKRUPTCY**

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

**ITEM 5
INITIAL FEES**

Initial Franchise Fee

We do not currently charge an initial franchise fee for a single Franchise. This (lack of) fee is uniform for all franchisees, including Conversion Franchises.

**ITEM 6
OTHER FEES**

Name of Fee	Amount	Due Date	Remarks
Royalty ¹	10% of Customer Payments	Due by automatic debit every Tuesday for the preceding week.	“Customer Payments” means all revenue generated from operating the Franchise, whether in cash, in services in kind, from barter and/or exchange, or otherwise. You may deduct from Royalties due sales tax, returns, and credit card merchant fees for processing Customer Payments. Customer Payments amounts are based on your customer payments collected within the calendar year.
Royalty – Conversion Franchises ¹	<p>Conversion Franchisees will pay a reduced Royalty as follows:</p> <p>Months 0-12: 5% on Customer Payments up to your Prior Gross Sales and 10% on Customer Payments above your Prior Gross Sales</p> <p>Months 13-24: 6% on Customer Payments up to your Prior Gross Sales and 10% on Customer Payments above your Prior Gross Sales</p> <p>Months 25-36: 7% on Customer Payments up to your Prior Gross Sales and 10% on Customer Payments above your Prior Gross Sales</p> <p>Months 37+: 10% on all Customer Payments</p>	Due by automatic debit every Tuesday for the preceding week.	<p>This reduced Royalty for Conversion Franchises is applicable for the first 36 months of operation as a Franchise and is based on your Prior Gross Sales.</p> <p>“Prior Gross Sales” means your prior 12 months of mold sales (excluding taxes) before the execution date of the Franchise Agreement.</p>
Transfer Fee	\$1,000	Due upon the transferee signing the new Franchise Agreement.	<p>We reserve the right to increase this fee.</p> <p>“Transfer” includes (a) transferring your ownership</p>

Name of Fee	Amount	Due Date	Remarks
			interest in the Franchise or franchisee entity, and/or (b) your rights under the Franchise Agreement. We will waive this fee for the first transfer of an individual franchisee to an entity wholly owned by such individual.
Renewal Fee	\$1,000	Due at the time you sign a Franchise Agreement for a renewal term.	You will sign our then current Franchise Agreement for the renewal term, which may include materially different terms, including the Royalty and/or Prospect Pool.
Technology Package Fee	Our then current fee, which is currently \$73/week	Due by automatic debit every Tuesday.	This fee currently includes various third-party software packages and tools for running the Franchise. The Technology Package Fee is discussed in more detail in Item 8 and Item 11.
National Marketing Fund Contributions	Up to 3% of Customer Payments of \$75, whichever is greater. Not currently collected.	Due by automatic debit every Tuesday.	We do not currently collect this fee, but we reserve the right to do so in the future. See Item 11 for more details.
Improper Marketing or Service Fee	Our then-current fee, which is currently up to the greater of \$500 per incident or the invoice amount of the Job improperly obtained	As incurred	Due for any violation of our then current Advertising & Performing Services Policy in our Operations Manual. This fee is in addition to, and not in lieu of, any other rights we have under the Franchise Agreement.
Late Report Fee	\$25 per week that a report is late	Due by automatic debit the Tuesday after the report is late	We do not currently have any required weekly reports, but reserve the right to do so in the future. If we do, we reserve the right to collect this fee.

Name of Fee	Amount	Due Date	Remarks
Late Payment Fee	\$100	Due by automatic debit on the Tuesday following the due date for each late payment	Due for any payment that is not paid when due.
Non-Sufficient Funds (NSF) Fee	\$100	Due by automatic debit the Tuesday after the NSF occurs	Due if we debit your account for monies owed and there are insufficient funds available.
Interest	18% per annum or the maximum permitted by law, whichever is less.	Due by automatic debit each Tuesday after the date all overdue amounts were originally due.	Due on all overdue amounts from the date the amounts were originally due.
Audit Fee ²	Cost of audit plus 25% of the total amount of understated Customer Payments.	As invoiced	<p>If any inspection or audit discloses an understatement of Customer Payments that is less than 3%, then we can debit your account for the Royalty that is due on the amount of the understatement, plus interest, at the rate of 18% per annum or the maximum rate permitted by applicable law, whichever is lesser, and all late fees, from the date originally due until the date of payment.</p> <p>If an understatement of Customer Payments is greater than 3%, then you also must pay us an additional penalty fee equal to 25% of the total amount of the understated Customer Payments. These remedies are in addition to our other remedies and rights under the Franchise Agreement and applicable law.</p>

Name of Fee	Amount	Due Date	Remarks
Failure to Maintain Insurance	Our actual cost plus \$1,000 processing fee if you fail to maintain insurance as required.	As invoiced	You are required to maintain the types and amounts of insurance specified in Item 8. If you do not, then we have the right, but not the obligation, to procure insurance on your behalf and charge you.
Certification Fee	Cost of mold inspection, mold remediation, and additional certifications that we require, which may change from time to time.	As incurred	You are required to maintain the certifications specified in our Operations Manual. If you fail to keep your certifications current, then we have a right to terminate the Franchise Agreement.
Indemnification	Will vary under circumstances.	As incurred	You must reimburse us if we are held liable for claims directly or indirectly arising out of your Franchise's operation.
Attorneys' Fees	Actual attorneys' fees and costs incurred.	As incurred	If we engage an attorney to enforce or defend our rights under the Franchise Agreement or any agreement between you and us and we prevail, then you must pay all attorneys' fees, court costs and litigation expenses we incur.

Notes

The Table above describes other recurring or isolated fees or payments that must be paid to us or our affiliates, or which we or our affiliates may impose or collect on behalf of a third party, in whole or in part. All fees, unless otherwise specified, are uniformly imposed and collected by and payable to us and are non-refundable. Interest begins from the date of any underpayment.

1. **Royalty.** For purposes of paying the Royalty, we follow the calendar week. We will draft the Royalty from your bank account on Tuesday of every week (or another day we may designate) for the preceding week. You must pay the Royalty by electronic funds transfer or by such other means as we may specify. For Conversion Franchises, you will pay a reduced Royalty based on the chart in the above chart and your Prior Gross Sales. For example: if you earned \$200,000 in gross mold sales in the prior 12 months immediately before the execution date of your Franchise Agreement (your "Prior Gross Sales"), then you would pay 5% Royalty on the first \$200,000 in Customer Payments received as a Franchise in months 0-12 and 10% Royalty on all Customer Payments received above \$200,000. In months 12-24, you would pay 6% Royalty on the first \$200,000 in Customer Payments and 10% Royalty on anything above \$200,000 in

Customer Payments. In months 25-36, you would pay 7% Royalty on the first \$200,000 in Customer Payments and 10% Royalty on anything above \$200,000 in Customer Payments. In months 37 and greater, you would pay 10% Royalty on all Customer Payments, without any discount. For Conversion Franchises to qualify for their Royalty discount, you must provide us with all records we request to verify your Prior Gross Sales and be in good standing at all times during the 36-month discount period.

ITEM 7
ESTIMATED INITIAL INVESTMENT

A. Standard Franchise

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is Made
	Low	High			
Initial Franchise Fee ¹	\$0	\$0	Lump Sum	Upon Signing the Franchise Agreement	Us
Technology Package Fees ²	\$863	\$863	Weekly Payments	As Incurred	Us
Moldman Starter Kit ³	\$2,070	\$7,090	Lump Sum	As Incurred	Third Parties
Vehicle ⁴	\$0	\$2,000	Lump Sum or Monthly Payments	As Incurred	Third Parties
Service Technician ⁵	\$0	\$9,000	Payroll	As Per Payroll Policy	Employee
Business Cell Phone ⁶	\$0	\$300	Monthly Payments	As Incurred	Third Parties
High Speed Internet	\$0	\$300	Monthly Payments	As Incurred	Third Parties
Computer System ⁷	\$0	\$1,500	Lump Sum	As Incurred	Third Parties
Rent ⁸	\$0	\$1,500	Monthly Payments	As Incurred	Third Parties
Insurance ⁹	\$3,500	\$6,000	Monthly Payments	As Per Insurance Agency	Third Parties
Certifications, Licenses and Permits ¹⁰	\$500	\$1,000	Lump Sum	As Incurred	Third Parties
Online Marketing Starter Package ¹¹	\$558	\$558	Lump Sum	As Incurred	Third Parties

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is Made
	Low	High			
Opening Online Marketing Spend MATCH Program ¹²	\$500	\$1,500	Lump Sum	As Incurred	Third Parties
Additional Funds – 3 months ¹³	\$1,100	\$5,000	Varies	As Incurred	Third Parties
TOTAL	\$9,091	\$36,611			

B. Conversion Franchise

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is Made
	Low	High			
Initial Franchise Fee ¹	\$0	\$0	Lump Sum	Upon Signing the Franchise Agreement	Us
Technology Package Fees ²	\$863	\$863	Weekly Payments	As Incurred, but after opening	Us
MOLDMAN Starter Kit ³	\$0	\$7,090	Lump Sum	As Incurred	Third Parties
Vehicle ⁴	\$0	\$2,000	Lump Sum or Monthly Payments	As Incurred	Third Parties
Service Technician ⁵	\$0	\$9,000	Payroll	As Per Payroll Policy	Employee
Business Cell Phone ⁶	\$0	\$300	Monthly Payments	As Incurred	Third Parties
High Speed Internet	\$0	\$300	Monthly Payments	As Incurred	Third Parties
Computer System ⁷	\$0	\$1,500	Lump Sum	As Incurred	Third Parties
Rent ⁸	\$0	\$1,500	Monthly Payments	As Incurred	Third Parties
Insurance ⁹	\$3,500	\$6,000	Monthly Payments	As Per Insurance Agency	Third Parties
Certifications, Licenses and Permits ¹⁰	\$0	\$1,000	Lump Sum	As Incurred	Third Parties
Online Marketing	\$558	\$558	Lump Sum	As Incurred	Third Parties

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is Made
	Low	High			
Starter Package ¹¹					
Opening Online Marketing Spend MATCH Program ¹²	\$500	\$1,500	Lump Sum	As Incurred	Third Parties
Additional Funds – 3 months ¹³	\$1,100	\$5,000	Varies	As Incurred	Third Parties
TOTAL	\$6,521	\$36,611			

Our estimate of your initial investment to develop one Franchise is described in the tables above – one for Standard Franchises and one for Conversion Franchises. The estimate covers the period before the opening and includes a category for additional expenses you may incur **during the initial three (3) month phase after opening**. The estimate does not include an owner’s salary or draw. The estimate also does not include cash requirements to cover operating losses or owner’s draw after the initial three (3) month phase of operation. You may need additional funds available, whether in cash or through unsecured credit lines or have other assets that you may liquidate, or that you may borrow against, to cover your personal living expenses and any operating losses after the initial phase of your Franchise. We urge you to retain the services of an experienced accountant or financial advisor in order to develop a franchised business plan and financial projections for your Franchise. Your actual investment may vary depending on local conditions particular to your geographic area or market. None of the expenses listed in the above table are refundable. We have relied upon our experience with our affiliate’s company-owned units to compile these estimates. You should review them carefully with a business advisor before making any decision to purchase a Franchise.

Notes:

- 1. Initial Franchise Fee.** As noted in Item 5, we do not charge an Initial Franchise Fee. See Item 5 for details.
- 2. Technology Package Fees.** This number represents the first three (3) months of the Technology Package Fee, which is paid weekly. We reserve the right to modify this fee at any time.
- 3. MOLDMAN Starter Kit.** The list of items in the MOLDMAN Starter Kit can be found in our Operations Manual and will be updated from time to time. You must purchase the items in the MOLDMAN Starter Kit if you do not own them already. The equipment and tools may be purchased “used” as long as they are in good working order. The MOLDMAN Starter Kit consists of basic mold remediation equipment, small tools, safety equipment, marketing materials, promotional items, and logo wear listed in Exhibit B to the Franchise Agreement. The low estimate cost in the table above for the Starter Kit is based on used condition items, whereas the high estimate is based on new condition items.

4. **Vehicle.** While a vehicle will be needed during the course of running your Franchise, we do not require you to purchase a specific vehicle and you may use a vehicle that you already own. We recommend that you use a van (either full-sized or mini) or a pickup truck, but you are not required to do so. You may lease or purchase a vehicle. The low end estimate assumes that you will use a vehicle that you already own and the high-end assumes that you will purchase a new vehicle and make monthly payments.
5. **Service Technician.** We do not require you to hire a full-time Service Technician for the Franchise. Some franchisees possess the skills needed to do jobs on their own while the Franchise is getting started. This low estimate is based on you doing jobs by yourself. The high estimate is based on employing a technician to work with or hiring temporary workers to assist you.
6. **Business Cell Phone.** You will need a cell phone to use for the Franchise. We will provide to you, as part of the Technology Package Fee, the business phone number to be used by the Franchise, but you must purchase the phone itself. This number will be forwarded to any cellular device you choose. The low range estimate is based on having this business number forwarded to your existing cell phone. The high range estimate is based on the Franchise acquiring a new, separate, dedicated cell phone and cellular plan that is only used for the Franchise.
7. **Computer System.** You must have a computer that meets the requirements of the System Standards and capable of operating our then-current required software. The low end assumes that you will use a computer that you already own and the high end assumes that you will buy a new one.
8. **Rent.** We assume that you will open and operate the Franchise from your home. If so, you will not incur any rent or other real estate expenses. In some cases, you may be able to work out of your home, but your home may not have the storage space for the equipment and supplies needed to open and operate the Franchise. Typically, a garage space is sufficient (if you have space in such garage). But if you do not have enough space at your home, a storage unit is acceptable in the beginning stages of operating your Franchise, which we estimate to be between \$100 and \$500 per month. The low end assumes you will operate from your home and have sufficient storage space. The high end assumes that you will rent storage space at \$500 per month for three (3) months.
9. **Insurance.** You must purchase the insurance coverage described in Item 8. Insurance costs will vary considerably depending on the current state of the insurance market, what insurer you select, where you are located, how many vehicles you need to insure, the driving records of you and your employees, the number of employees you have, the size of your Franchise and other risk factors as identified by your insurer and requirements of your locality. Our estimate is based on the assumption that you will pay for the full year premium in advance, as that is the experience that our affiliate has. Our estimate is for the first three (3) months of commercial general liability insurance, pollution liability insurance that covers mold liability, automobile liability and workers' compensation based on history and experience of our affiliate's company-owned units in Illinois. But

please note: automobile and workers' compensation rates vary considerably from place to place. **We strongly recommend that you investigate insurance rates specific to your situation before entering into a Franchise Agreement because your insurance costs may vary considerably from our estimates.**

10. **Certifications, Licenses and Permits.** Before you open your Franchise, you must obtain certain certifications and any required licenses and business permits. It is your responsibility to verify all of the state and local licenses and permits that you need for your Franchise.
11. **Online Marketing Starter Package.** This package consists of two, third party tools used for search engine optimization (SEO) and online marketing for your Franchise. The estimate in the chart above is the current cost for purchasing such package. If the third party that produces this package increases their costs, then this amount will also increase.
12. **Opening Online Marketing Spend MATCH Program.** We require you to spend a minimum of \$500 total over the first three (3) months (approximately \$167 per month) on paid online advertising campaigns that we will manage on your behalf. After three (3) months, there is no ongoing spending requirement. The high-end estimate (\$1,500) assumes that you will spend more on advertising, even though it is not required. With our MATCH program, we will match what you are spending, in an amount not to exceed \$1,500, and double your advertising spend over the first three (3) months. For example: if you decide to spend the minimum \$500 during the first three (3) months, then we will also spend \$500 on your advertising campaign that we manage for a total budget of \$1,000. If you decide to spend \$1,500, we will also contribute \$1,500 for a total budget of \$3,000 over the first three (3) months.
13. **Additional Funds – 3 months.** This line item estimates the working capital needed for the first three (3) months of operation, not including those expenses identified separately in the table. It includes costs such as out-of-pocket direct mail costs, general auto maintenance and gasoline, office overhead, etc. The estimate of additional funds does not include an owner's salary or draw. These figures are estimates and we cannot guarantee that you will not have additional expenses starting the Franchise. The amount of working capital you need will depend on a number of factors. These factors include the area you are located in; how much you follow our methods and procedures; your management skill; experience and business acumen; local economic conditions; the relative effectiveness of your staff; the prevailing wage rate; competition; and the sales level reached during the initial period.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases

You must operate the Franchise according to our standards, specifications, and operating procedures. We will formulate and modify standards and specifications based on our and our franchisees' experiences in operating a Franchise. Our standards and specifications may impose requirements for performance, reputation, quality, and appearance of the Franchise. Our Operations Manuals and other communications identify our standards and specifications and/or names of designated or approved supplies and suppliers. Standards and specifications are updated periodically at our sole discretion.

MOLDMAN Starter Kit

The list of items in the MOLDMAN Starter Kit can be found in our Operations Manual and will be updated from time to time. You must purchase the items in the MOLDMAN Starter Kit if you do not own them already. The equipment and tools may be purchased "used" as long as they are in good working order. The MOLDMAN Starter Kit consists of basic mold remediation equipment, small tools, safety equipment, marketing materials, promotional items, and logo wear listed in Exhibit B to the Franchise Agreement.

In addition to the Starter Kit, we will also send you, at our cost and expenses, branded apparel (including two shirts, a fleece) as well as brochures and business cards for you to use in connection with your Franchise.

Cleaning Agents/Chemicals & Remediation Equipment/Supplies

You may only purchase cleaning agents/chemicals and remediation equipment/supplies that are approved by us in writing prior to your use of them. The list of approved items can be found in our Operations Manual and will be updated from time to time. If you would like to add a supply to our approved list, a request must be made via email to Greg Bukowski at greg@moldmanusa.com and all requests will be considered. There is no fee for this, and also no timeline for approval. If you do not hear from us after 30 days, then your request is considered denied.

Vehicles

You will need at least one vehicle for the day-to-day operations of your Franchise, which must look professional. We recommend that you use a work van (both full and mini-sized) or a pickup truck, but you are not required to do so.

All vehicles purchased or leased for the Franchise are to be, and maintained, in a "good" condition as defined by KELLEY BLUE BOOK ("good" condition means that the vehicle is free of any major defects). The paint, body and interior must have only minor (if any) blemishes, and there may not be any major mechanical problems.

You are not permitted to outfit your Franchise vehicle with any form of advertising such as decals or phone numbers of your Franchise, the Marks or otherwise, to protect the privacy of our customers.

We reserve the right to require you to purchase a new service vehicle(s) if you are unable to maintain your vehicle in accordance with our standards.

Technology Package: Email, Website, Telephone Number, Software

In exchange for the Technology Package Fee, we will provide you with the Technology Package, which includes the following items:

1. **Job Software.**
2. **Email Address and Email Account.**
3. **Website Page.**
4. **Business Phone Number.**
5. **Other Software, including** credit card processing software, software for managing customer feedback, cloud-based productivity and collaboration tools, and a software platform for email marketing.

In addition, you are required to obtain an Online Marketing Starter Package from a designated third-party supplier. This package consists of two, third party tools used for search engine optimization (SEO) and online marketing for your Franchise.

Except as approved in advance in writing by us, you must not establish or maintain a separate email, website, social media page, splash page, blog profile or other presence on the Internet, or otherwise advertise on the Internet or any other public computer network in connection with the Franchise, including any profile on Facebook, Twitter, LinkedIn, YouTube, Pinterest, Instagram, or any other social media and/or networking site. If such approval is granted by us, you must: (i) establish and operate such World Wide Web or Internet site in accordance with System Standards and any other policies we designate in the Operations Manuals or otherwise in writing from time to time; and (ii) utilize any templates that we provide to you to create and/or modify such site(s).

If you would like to add a piece of technology to our Technology Package, a request must be made via email to Devin Renberg at devinrenberg@moldmanusa.com and all requests will be considered. There is no fee for this, and also no timeline for approval.

See the table below for more detailed information about our Technology Package Fee. All of the products listed below are required and are provided by a third party. You may not use an alternative supplier without our prior written approval.

Technology Package Fee Table		
Software Description	Who will you pay	Weekly Fee
Business operations software used to run all of your day-to-day operations (e.g. estimating, invoicing, etc). See Footnote 1.	Third Party	\$35
Credit card processing software. See Footnote 2.	Third Party	Varies
Phone System	Third Party	\$9
Email account and cloud based productivity and collaboration tools. See Footnote 3.	Us	\$2
Software for managing Customer Feedback. See Footnote 4.	Third Party	\$7
Email marketing software. See Footnote 5.	Us	\$10
Miscellaneous Tech Cost. See Footnote 6.	Us	\$10
TOTAL WEEKLY TECHNOLOGY PACKAGE FEE (See Footnote 7)	\$73 /week	

Notes:

1. You must add us as an Admin User to your account so we can access the software with full unlimited access at any time. The third party will bill you monthly, but the price above is calculated weekly by taking the annual price and dividing it by 52 weeks. Currently, you can save money if you pay for an annual subscription and make one annual payment instead of 12 monthly payments). You may elect to pay them annually if you wish to receive these savings. These prices are based on the current pricing of the third party and may change at any time.
2. These are credit card processing fees charged by a third party. Currently, these fees are around 3.0% of Customer Payments per transaction plus 30 cents per transaction. These fees may change at any time by third-party and we have no control when they change them.
3. Rates quoted are per user and we assume you will start off with just one user (for yourself), but you may require additional users in the future.
4. You are not required to use this software immediately upon opening. However, you are required to purchase it within 180 days of opening. This price is based on their current pricing and may change at any time.
5. This price is based on obtaining email marketing for up to 5,000 contacts. The price will increase if you exceed 5,000 contacts and will be based on how many total contacts you have.
6. Covers all other costs, including administration costs, associated with our Technology Package Fee. The amount of this fee is an estimate of additional costs we may incur in providing and managing the Technology Package. Our actual costs in any week may be more or less than \$10.
7. Your Technology Package Fee amounts to \$73/week. We reserve the right to add or remove tools that are part of the Technology Package Fee at any time. We also reserve the right to increase or decrease the Technology Package Fee at any time. In the above table, all items include taxes, except the Business Operations Software (\$35/week) and Phone System (\$9/week). The taxes you pay for both will vary by where you live and your city and state.

Computer Hardware

We require you to have a Computer System and Internet access. We will not assist you in purchasing a Computer System or Internet access after opening or determining if your current Computer System and Internet access are sufficient to run your Franchise. We do not currently require that you use only certain computer hardware or Internet suppliers, but we reserve the right to do so for specific Franchises where we deem appropriate or for the entire System.

We estimate the cost to purchase the Computer System to be between \$500 and \$1,500.00. You can lower your costs by purchasing a lower cost computer or using one that you already own.

We shall have the right to specify or require that you update or upgrade your computer hardware and software and to specify that certain brands, types, makes, and/or models of communications, computer systems, and hardware be used by you, including without limitation: (i) a compatible back office computer that complies with our standards and specifications; (ii) a custom and proprietary point of sale system (the "POS System") if we make such a POS System part of our proprietary operating system in the future; (iii) printers and other peripheral hardware or devices; (iv) archival back-up systems; (v) Internet access mode and speed; and (vi) physical, electronic, and other security systems (collectively, the "Computer System").

We shall have the right, but not the obligation, to develop or designate (i) computer software programs you must use in connection with any component of the Computer System which you shall install at your own expense; (ii) the tangible media upon which you record data; and (iii) the database file structure of the Computer System.

We have the right to access the Computer System and required software, the data in it, and the reports it generates at any time. We can do this electronically and/or at your Franchise. (Section 3.F of the Franchise Agreement). The Agreement does not impose a limit as to what data we may access or how we may use the data.

Neither we, nor any affiliate or third party is obligated to provide ongoing maintenance, repairs, upgrades or updates to the Computer System. We currently do not require that you purchase a maintenance, repair, upgrade or update service contract for the Computer System, but we reserve the right to do so in the future. We do not provide support or warranties for hardware or third-party software; any support or warranties are provided solely by the manufacturer.

Insurance

Before starting the Biz & Techs Ops Training, you promise to purchase and maintain in full force and effect throughout the term of the Franchise Agreement and at your expense, insurance protecting you, your employees, and us, our officers, and our employees, against loss, liability, fire, personal injury, death, property damages, or theft arising from, or occurring in connection with, the operation and promotion of the Franchise as specified in detail in the Franchise Agreement or otherwise in writing from us.

Currently, the minimum insurance requirements are as follows:

Type of Insurance	Minimum Limit Requirements
Commercial General Liability (CGL)	<ul style="list-style-type: none"> ● Occurrence Coverage ● General Aggregate: \$2,000,000 ● Products and Completed Operations Aggregate: \$2,000,000 ● Each Occurrence: \$1,000,000 ● Personal & Advertising Injury: \$1,000,000 ● Damages to Rented Premises (Each Occurrence): \$100,000 ● Medical Expenses (Any One Person): \$5,000 ● Max Deductible: \$5,000

Type of Insurance	Minimum Limit Requirements
Pollution Liability that Covers Mold Liability	<ul style="list-style-type: none"> ● General Aggregate: \$1,000,000. ● Each Occurrence: \$1,000,000. ● Max Deductible: \$5,000
Automobile Liability	<ul style="list-style-type: none"> ● Combined Single Limit (Each Incident) of \$1,000,000 for all owned or leased vehicles and for hired and non-owned motor vehicles
Workers Compensation	<ul style="list-style-type: none"> ● Each Accident: \$1,000,000 ● Each Disease: \$1,000,000 ● Policy Limit: \$1,000,000 ● All Workers Compensation & Employers' Liability limits are the minimum stated above or the minimum limit required by your state, whichever is higher. ● Your Policy must cover all of your employees, regardless of whether or not state law requires coverage.
Tail Insurance	<ul style="list-style-type: none"> ● We do not have any current requirements for Tail Insurance. But We reserve the right to require you to purchase tail insurance coverage in the amounts and types we decide from time to time for up to 2 years following transfer, non-renewal, expiration, or termination of your Franchise Agreement.
Other Insurance	<ul style="list-style-type: none"> ● Any other insurance as required by any state, county, local, or other municipality

All policies will be written by an insurance company(ies) that is/are licensed in the state in which you are doing business, and that has an A.M. Best rating of "A" or better. Currently, you are not obligated by the terms of the Franchise Agreement to purchase your insurance from any specific provider, although we reserve the right to specify the specific provider that you must use in the future.

We may, periodically, determine and modify the minimum insurance limits and require different or additional kinds of insurance to reflect changes in insurance standards, normal business practices, higher court awards and other relevant circumstances. To gain adequate protection, you should discuss with your insurance agent and financial advisor to determine if your personal situation requires you to maintain coverage in excess of the minimums that we require. If any lease or Customer contract requires an insurance policy amount to be higher than the amounts we have listed above, you must obtain the highest amount for such policy.

All general liability, pollution and commercial auto insurance policies must be endorsed to include a waiver of subrogation and this endorsement of waiver of subrogation must be also included on your Certificate of Insurance (COI).

All general liability, pollution and commercial auto insurance policies must also be endorsed to name us and our designated affiliates, employees, officers and directors (the "Indemnified Parties") as additional insureds and list us on the Certificate of Insurance (COI).

All general liability, pollution and commercial auto insurance policies will contain no

provision which in any way limits or reduces coverage for you if a claim is made by any one or more of the Indemnified Parties, and will extend to and provide indemnity for all obligations assumed by you and all items for which you are required to indemnify us, will be primary to and without right of contribution from any other insurance purchased by the Indemnified Parties, and will provide, by endorsement, that we receive at least 30 days' notice of any intent to cancel or materially alter any policy.

At least ten (10) days before starting either the Biz & Tech Ops Training, commencing the operation of the Franchise, whenever a change is made to your policy, and before expiration of any insurance coverage, you must provide us a copy or certificate or other acceptable proof of such insurance. If you do not maintain the required insurance coverage, or do not furnish us with satisfactory evidence of insurance coverage and premium payments, we may obtain, at our sole option and in addition to our other rights and remedies under the Franchise Agreement, any required insurance coverage on your behalf. We are under no obligation whatsoever to obtain such insurance, but if we do so, you must fully cooperate with us in our efforts and must promptly sign all forms required to obtain or maintain the insurance. You must also allow any inspections of your Franchise required to obtain or maintain the insurance. Finally, you must pay us, on demand, any costs and premiums we incur in obtaining insurance on your behalf. Neither your obligation to maintain insurance coverage nor our maintenance of insurance on your behalf, will reduce or absolve you of any obligations of indemnification described in the Franchise Agreement. You promise to promptly report all material claims, or potential claims, against you, any Indemnified Party or us, to the insurer and to us. You may not commence your Franchise until you have provided the certificates of insurance or other acceptable proof of all insurances.

You may not commence your Franchise until you have provided the certificates of insurance or other acceptable proof of all insurances. You may not reduce the policy limits, restrict coverage, cancel, or otherwise alter or amend any insurance policy without our written consent.

You must provide us with copies of any insurance claims or insurance cancellations within 24 hours. You have a 24-hour opportunity to cure any lapses in insurance coverage. No insurance policy must be subject to cancellation, termination, nonrenewal or material modification, except upon at least 30 days prior written notice from the insurance carrier to us. We have the right to increase or otherwise modify the minimum insurance requirements upon 30 days prior written notice to you, and you shall comply with any such modification within the time specified in said notice.

Required and Approved Suppliers

Other than the items in the Technology Package, you may purchase your supplies from anywhere that makes the most sense for you. At this time, other than the suppliers for the Technology Package, we do not have a list of required and approved suppliers, but we reserve the right to have one in the future.

We may develop and research new products or services as we determine necessary. We reserve the right to designate a primary or single source of supply for certain products and supplies, and we or our affiliates may be that single source. You must pay the then current price in effect for any purchases from us or our affiliates. Without limiting the foregoing, we reserve the right to require you to use a designated service provider to provide call center, call routing, and scheduling services and we may be that designated supplier. You may not contract with an alternative supplier for any products and/or services for which we have designated a supplier.

Approval of alternative suppliers

If we do eventually have an approved list of suppliers, and you would like to add an alternative supplier to our approved list, a request must be made via email to Greg Bukowski at greg@moldmanusa.com and all requests will be considered. There is no fee for this, and also no timeline for approval.

Revenue from franchise purchases

We did not have any revenues from the sale of equipment and supplies to franchisees in the year ending December 31, 2023, but we reserve the right to do so in the future.

We estimate that the required purchases under our specifications will make up approximately 70% to 80% of your total initial investment and approximately 30% to 50% of your annual operating expenses.

Cooperatives

As of the date of this offering, we do not have any purchasing or distributing cooperatives or vendor programs, but reserve the right to establish these in the future.

Negotiated prices

Currently, we do not have any purchase arrangements with any suppliers but reserve the right to do so in the future.

10-Year Warranty

Our System and Franchises offer a limited 10-year limited warranty to customers on certain services and products. All Franchises are required to offer this limited warranty to their customers. The terms of warranties and your obligations to honor such warranties will be set forth in the Operations Manual, as amended from time to time in our sole discretion.

Material Benefits

Currently, we do not receive any material benefits from approved supplies or suppliers, but reserve the right to in the future. As a Franchise, you will not receive any material benefits from your Franchise's purchase of certain products or services or use of particular suppliers.

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	Section 2, Section 4	Item 11
b. Pre-opening purchases/leases	Section 4	Item 7 and 8
c. Site development and other pre-opening requirements	Section 2, Section 4	Item 7 and 11
d. Initial and ongoing training	Section 4	Item 11
e. Opening	Section 9	Item 11
f. Fees	Section 3	Item 5 and 6
g. Compliance with standards and policies/operating manual	Section 6, Section 7, Section 9	Item 11
h. Trademarks and proprietary information	Section 6	Item 13 and 14
i. Restrictions product/service purchases	Section 9	Item 16
j. Warranty and customer service requirements	Section 9(B)	Not applicable
k. Territorial development and sales quotas	Section 3(D)	Item 12
l. Ongoing product/service purchases	Section 9	Item 8
m. Maintenance, appearance, and remodeling requirements	Section 9, Section 13(A)	Item 11
n. Insurance	Section 9(E)	Item 6, 7 and 8
o. Advertising	Section 2(B), Section 6(C), Section 9(B)	Item 6, 7, 8 and 11
p. Indemnification	Section 16(C)	Item 6
q. Owner's participation / management / staffing	Section 2(A), Section 8(B); Section 9(A), Section 16(A)	Item 11 and 15
r. Records and reports	Section 9(F)	Item 6
s. Inspections and audits	Section 10	Item 6 and 11
t. Transfer	Section 12	Item 6 and 17
u. Renewal	Section 13	Item 6 and 17
v. Post-termination obligations	Section 15	Item 17
w. Non-competition covenants	Section 8, Section 15(D)	Item 17
x. Dispute resolution	Section 17	Item 17

ITEM 10 **FINANCING**

We do not offer financing at this time but may in the future.

Additional Information

We may provide certain information and assist in facilitating SBA loans including 7(a) and 504 loans. We may also suggest third party sources for lending.

Other than described above, we will not guarantee any notes, leases or obligations. We and our affiliates have no past practice or future intent of selling, assigning or discounting franchisees' financing arrangements to a third party, although we reserve the right to do so in the future. We and our affiliates do not receive any direct or indirect payments or any other consideration from any person for the placement of financing with the lender; however, we reserve the right to do so in the future.

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

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

Franchisor's Pre-Opening Obligations

Before you open your Franchise, we may, in our discretion:

1. Designate the Prospect Pool for the Franchise (Sections 2.B and Exhibit A of the Franchise Agreement). We do not provide any assistance with (a) selecting a business site or negotiation of any lease or purchase of any site, (b) conforming the site to local ordinances and codes and obtaining any required permits, or (c) hiring and training employees (other than the required training discussed in Section 4 of the Franchise Agreement). You may work from home within the geographic area that services the Prospect Pool and are not required to lease an office space and your official office address must be located within the geographic area that services the Prospect Pool.
2. Provide to you a list of equipment and supplies that you will need to purchase for the MOLDMAN Starter Kit from third parties that includes the items as listed in Exhibit B of the Franchise Agreement (Section 2.C of the Franchise Agreement).
3. Provide to you access via intranet to, or a copy of, our proprietary and confidential Operations Manual (Section 4.C of the Franchise Agreement).
4. Give prior approval for use of business forms, business stationery, business cards, advertising materials, permanent materials, and forms that you intend to use (Section 6.C of the Franchise Agreement). We will also continue to do this after you open the Franchise.
5. Specify minimum policy limits for certain types of insurance coverage (Section 9.E of the Franchise Agreement). We will continue to do this after you open the Franchise.

6. Provide to you our MOLDMAN Set Yourself Up for Success Program and our Biz & Tech Ops training course (Section 4.A of the Franchise Agreement).

Franchisor's Obligations after the Opening of the Franchise

Once the Franchise has commenced operations, we or our designee will provide the following assistance:

1. Provide new products, services and methods that we may have discovered or have developed for the System. (Sections 4 and 9 of the Franchise Agreement).
2. Manage and maintain the company website with your location page (Section 3.G of the Franchise Agreement).
3. Provide you with other business and marketing advice. (Sections 4 and 9 of the Franchise Agreement).
4. Periodically update required software packages and tools that you must use that are part of the Technology Package Fee. (Section 3.F of the Franchise Agreement).
5. Provide advice on financial and daily operation of the Franchise including its accounting and record keeping functions. (Section 4.B of the Franchise Agreement).
6. Provide periodic modifications to the Operations Manuals to reflect changes in the System Standards. (Section 4.C and Section 9.B of the Franchise Agreement).
7. Provide periodic refresher training courses and conferences. (Section 4.A of the Franchise Agreement).
8. Oversee the National Marketing Fund, if implemented. (Section 3.J of the Franchise Agreement).

Typical Length of Time to Open the Franchise

The typical length of time between the signing of the Franchise Agreement and the opening of the Franchise is between 60 and 120 days. Factors affecting this length of time usually include normal business startup considerations, completion of the MOLDMAN Biz & Tech Ops training course, securing a business insurance policy, and obtaining our required mold training certifications.

You must commence operation of the Franchise within six (6) months of signing the Franchise Agreement. In the event that you do not do so, at our discretion, we may terminate the Franchise Agreement pursuant to Section 14 of the Franchise Agreement.

Franchisor's Assistance with Local Marketing and Advertising

We will provide you with the following marketing and advertising support:

1. Franchise Phone. As Part of the Technology Package Fee, we will provide to you the business phone number to be used by the Franchise. The business number will be owned

by us and will be forwarded to any device(s) you select. We may require you to use the phone service provider, phone models, phone apps and type from the supplier(s) that we designate. The business phone number provided by us will be the only number you will be allowed to advertise.

2. Franchise email address. As Part of the Technology Package Fee, we will provide to you an email address and email that will have “@MoldmanUSA.com” as its suffix that you must use in the course of business. We will also provide you with an email business account using this @MoldmanUSA.com email that you must use as well. You are prohibited from using a different email or business email account than the ones We assign you. We reserve the right to require your employees to use a “@MoldmanUSA.com” email and email business account as well.
3. Website page. We will create a website page on our Company Website containing information about your Franchise. We may, but are not required to, create additional pages as needed. We may require your assistance to help prepare a portion of these pages. All such information will be subject to our approval prior to posting.
4. Social Media & Online Listings. We will set up certain Social Media Accounts and online directory listings for your Franchise and update as we deem appropriate at our sole discretion with no minimum updating or posting requirement imposed on us (see our Advertising & Performing Services Policy in our Operations Manual.)
5. Email Marketing. We may conduct Email Marketing campaigns on your behalf. If we choose to do so, the frequency will be done in a manner we deem appropriate and we are not required to meet any minimum number of emails sent over any period of time (see our Advertising & Performing Services Policy in our Operations Manual).
6. Coaching. We will provide you with coaching and business advice for conducting marketing and advertising in your Prospect Pool as we deem appropriate at our sole discretion with no minimum number of coaching sessions (in any form) required by us at any time.
7. Approval for Advertising. You must use our approved advertising and marketing materials or receive our written approval of any and all other advertising and marketing materials from us before their first use. We may, in our sole discretion, create advertising, marketing, and promotional material templates that you may use at no charge, but you are responsible for all production costs (printing, shipping, etc.) if you decide to use such templates (see our Advertising & Performing Services Policy in our Operations Manual). You are also required to purchase an Online Marketing Starter Package from a designated third-party supplier that includes tools used for search engine optimization (SEO) and online marketing for your Franchise.
8. Advertising Spend. We will manage a paid online advertising campaign on your behalf. And, with our MATCH program, we will match, in an amount not to exceed \$1,500, what you are spending in advertising and double your advertising spend over the first three (3) months. For example: if you decide to spend the minimum \$500 during the first three (3) months, then we will also spend \$500 on your advertising campaign that we manage for a total budget of \$1,000. If you decide to spend \$1,500, we will also contribute \$1,500 for a total budget of \$3,000 over the first three (3) months.

9. Except for the above, we are not required to provide you with any other advertising or marketing support.

Online Advertising, National Marketing Fund, Advertising Cooperative and Advertising Council

Currently, we require you to spend a minimum of \$500 total over the first three (3) months (approximately \$167 per month) on paid online advertising campaigns that we will manage on your behalf. As stated above, the amount that you spend will be patched by us in our MATCH program.

We reserve the right to establish a National Marketing Fund for the common benefit of all of our Franchises. If established, then you must participate in and contribute the greater of \$75 or 3% of the Customer Payments on a weekly basis throughout the term of the Franchise Agreement. We reserve the right to change the contribution amount upon notice to you. We have the right to require that any advertising cooperative or franchisee advisory or advertising council be formed, changed, dissolved or merged. (Section 3.J of the Franchise Agreement).

Currently, there is no advertising council associated with the System. If established, we will use the National Marketing Fund contributions, in our sole discretion, to develop, produce and distribute national, regional and/or local advertising and to create advertising materials and public relations programs which promote, in our sole judgment, the services offered by our franchisees. We shall have the sole right to determine contributions and expenditures from the National Marketing Fund, or any other advertising program, and the sole authority to determine, without limitation, the selection of the advertising materials and programs; provided, however, that we will make a good faith effort to expend National Marketing Fund contributions in the general best interests of the System on a national or regional basis. We may use the National Marketing Fund to satisfy any and all costs of maintaining, administering, directing, preparing, producing, and implementing advertising, including the cost of:

1. preparing, producing, and implementing television, radio, magazine and newspaper advertising campaigns;
2. direct mail and outdoor billboard advertising;
3. public relations activities and advertising agencies;
4. developing and maintaining an Internet website;
5. doing various forms of online marketing such as social media campaigns and
6. personnel and other departmental costs for advertising that we internally administer or prepare.

Nevertheless, you acknowledge that not all of our franchisees will benefit directly or on a pro rata basis from such expenditures. While we do not anticipate that any part of the National Marketing Fund contributions will be used for advertising which is principally a solicitation for franchises, we reserve the right to use the National Marketing Fund for public relations or recognition of the MOLDMAN® brand, for the creation and maintenance of a web site, a portion of which can be used to explain the franchise offering and solicit potential franchisees, and to include a notation in any advertisement indicating "Franchises Available." (Section 3.J of the Franchise Agreement). We may periodically assist franchisees and operators to maintain high quality standards through customer surveys, customer interviews, and other similar initiatives

("Surveys"). The cost of such programs will be borne by the National Marketing Fund. (Section 3.J of the Franchise Agreement).

We have the right to reimburse ourselves from the National Marketing Fund contributions for such reasonable costs and overhead, if any, that we may incur in activities reasonably related to the direction and implementation of the National Marketing Fund. (Section 3.J of the Franchise Agreement). Outlets owned by us or our affiliates are not required to contribute to the National Marketing Fund. We may, but are not obligated to, advance money to the National Marketing Fund to fund National Marketing Fund programs.

In the event that we advance monies to the National Marketing Fund, we will determine, in our sole discretion, the manner and timing for the repayment, to us, of some, or all, of the funds we advance. (Section 3.J of the Franchise Agreement). We will prepare on an annual basis, within 120 days of the end of the fiscal year, and make available to you upon written request, a statement of contributions and expenditures for the National Marketing Fund. The National Marketing Fund does not have to be independently audited. (Section 3.J of the Franchise Agreement). If we do not spend all National Marketing Fund Contributions by the end of each fiscal year, the funds will be carried forward into the next fiscal year. Other than the advertising requirements described above, there are no additional advertising fees required by us. It is at our discretion to determine how much to spend, and where to market, advertise and promote the System.

Computer Software and Software Systems.

After opening, we will continue to specify what Computer Systems and Software are required to run your Franchise. These specifications will change as we deem appropriate and at our discretion.

Computer Hardware

We require you to have a Computer System and Internet access. We will not assist you in purchasing a Computer System or Internet access after opening or determining if your current Computer System and Internet access are sufficient to run your Franchise. We do not currently require that you use only certain computer hardware or Internet suppliers, but we reserve the right to do so in specific Franchisees where we deem appropriate or for the entire System.

Because most of our ordinary business functions are done "in the cloud", a dependable Computer System and reliable "high speed" Internet access is important but we do not currently have any minimum requirements or standards in these areas, except that both your Computer System and Internet access must be in good working condition and dependable to carry out ordinary business functions, as provided in our Operating Manual.

We recommend you purchase a quality laptop from a reputable brand with at least 500GB of hard drive storage and 8GB of RAM. We estimate the cost to purchase the laptop and software to be between \$500 and \$1,500.

Computer Software

You may use any accounting software that you prefer such as QuickBooks, Xero, etc. but we require that you use our specified Chart of Accounts.

In addition, if you are purchasing your Franchise as an add-on service line to your current business (e.g. you are a roofer and decide to provide the Approved Services via a Franchise alongside your current roofing business), you MUST maintain bookkeeping, accounting and other business records that are completely separate from your other business. In addition, you must open and use a bank account that is only for your Franchise and completely separate from your other business. Our Standard Franchises, non-Conversion Franchises have these same requirements (maintaining bookkeeping and accounting records and a bank account that is for the mold business only).

You shall maintain records in accordance with our standards and specifications. We have the right to request records such as, but not limited to, your bank statements, accounting and bookkeeping statements and others we deem necessary as required. You are also required to submit your corporate tax returns to us no later than 90 days after the end of the corporate fiscal year.

We will provide you with the Technology Package that you are required to use and are part of the Technology Package Fee. For more detailed information, please see our summary table above in Item 8.

Franchisor's Rights to Change Computer & Software Requirements

We shall have the right to specify or require the Franchise to update or upgrade the Franchise's computer hardware and software and specify that certain brands, types, makes, and/or models of communications, Computer System, and hardware be used by the Franchise, including without limitation: (i) a compatible back office computer that complies with our standards and specifications; (ii) a custom and proprietary point of sale system (the "POS System") if we make such a POS System part of our proprietary operating system in the future; (iii) printers and other peripheral hardware or devices; (iv) archival back-up systems; (v) Internet access mode and speed; and (vi) physical, electronic, and other security systems (collectively, the "Computer System").

We shall have the right, but not the obligation, to develop or designate (i) computer software programs you must use in connection with any component of the Computer System, which you shall install at your own expense; (ii) the tangible media upon which you record data; and (iii) the database file structure of the Computer System.

We have the right to access the Computer System and required software, the data in it, and the reports it generates at any time. We can do this electronically and/or at your Franchise. (Section 3.F of the Franchise Agreement). The Franchise Agreement does not impose a limit as to what data we may access or how we may use the data.

Neither we, nor any affiliate or third party is obligated to provide ongoing maintenance, repairs, upgrades or updates to the Computer System. We currently do not require that you purchase a maintenance, repair, upgrade or update service contract for the Computer System, but we reserve the right to do so in the future. We do not provide support or warranties for hardware or third-party software; any support or warranties are provided solely by the manufacturer.

Telephone Listings

We will provide and assign to you a Franchise telephone number that we own that will

have a local area code from the geographic region that services your Prospect Pool. We will forward all calls to the business telephone number to any device(s) you select. You are prohibited from using a different Franchise telephone number for any purposes, including advertising, without Our prior written consent.

Operations Manual

MOLDMAN's Operations Manual will be made available to you once you have signed the Franchise Agreement. Currently, we keep our Operations Manual on our company intranet. You will have read-only access to our Operations Manual, with no editing privileges.

The Table of Contents for our Confidential Operations Manual is attached to this Disclosure Document as Exhibit E. Our Operations Manual contains approximately 30 pages.

Set Yourself Up for Success Self-Guided Preparation Program

MOLDMAN's Set Yourself Up for Success Self-Guided Preparation Program ("Prep Program") is a checklist of some of the most important pre-opening steps that need to be taken for the successful launch of your Franchise. It is a self-guided process that you will complete at home, with various tasks to complete, along with due dates. You will receive additional guidance and feedback from our training team.

All Prep Program activities are to be completed within two (2) months of signing the Franchise Agreement, before completing the Biz & Tech Ops Training, and before the opening of your Franchise.

Steps of the Prep Program include, but are not limited to:

- ***6 P's***
- ***Legal***
- ***Banking***
- ***Office Space***
- ***Computer***
- ***Email***
- ***Intranet***
- ***Vehicle***
- ***Storage Space***
- ***Insurance***
- ***Certifications***
- ***Local Licenses & Permits***
- ***Prospect Pool Review***
- ***Business Plan***

Biz & Tech Ops Training

Before you begin operating your Franchise and after you have completed the Prep Program, we will provide our initial training program ("Biz & Tech Ops Training") to you at no additional fee. You must complete the Biz & Tech Ops Training to our satisfaction within four (4) months of signing the Franchise Agreement, and failure to do so will result in the termination of the Franchise Agreement. The Biz & Tech Ops Training may not commence until you have paid

all fees due to us. (Section 4.A of the Franchise Agreement).

The Biz & Tech Ops Training is designed to be done at your own home and should take at least 1-2 weeks to complete. Please note that our affiliate's company-owned units that convert to franchises will have reduced training requirements. Conversion Franchises may also have reduced training requirements.

Greg Bukowski directs the technical operations portion of the Biz & Tech Ops Training. Devin Renberg directs our business manager portion of the Biz & Tech Ops Training. Their years of experience are listed below:

Training Instructor	Title	Years of Experience in Mold Remediation	Years of Experience in Business Operations
Greg Bukowski	Founder & Co-Owner	17	17
Devin Renberg	COO & Co-Owner	15	15

Listed below are the specific modules and details of the Biz & Tech Ops Training Program. We reserve the right to modify the Biz & Tech Ops Training, including the training materials and subjects, at any time.

TRAINING PROGRAM

Subject	Hours of At-Home Training	Hours of On-the-Job Training	Location
Business Operations Modules			
Intro to MOLDMAN	1	-	Your Home
Business Operations & Profitability	2	-	Your Home
Insurance & Legal	2	-	Your Home
Accounting & Finance	2	-	Your Home
Software & Technology (Part 1)	2	-	Your Home
Sales & Marketing	2	-	Your Home
Customer Service	2	-	Your Home
Human Resources (HR)	2	-	Your Home
Software & Technology (Part 2)	2	-	Your Home
Dangers of Dishonesty	1	-	Your Home
Total Hours*	18	-	
Tech Operations Modules			

Subject	Hours of At-Home Training	Hours of On-the-Job Training	Location
Managing your HQ	1	-	Your Home
Equipment	1	-	Your Home
Chemicals	1	-	Your Home
Vehicles	1	-	Your Home
HQ & Vehicle Safety	1	-	Your Home
Estimating	5	-	Your Home
Mold Inspection	5	-	Your Home
Mold Remediation	5	-	Your Home
Job & Jobsite Safety	2	-	Your Home
Quality Control	2	-	Your Home
Total Hours*	24	-	
* does not include meals, breaks, etc.			

Account Transition and Observation Training

Upon your successful completion of both the Prep Program and the Biz & Tech Ops Training, we may, at our discretion, require a transitional period of approximately 90 days (“Transitional Period”), in which you and or your Service Technician will have the opportunity to observe a customer service call for customer locations within your Prospect Pool that exceed your current level of experience and expertise. Depending on the scope of work, we reserve the right to refer any jobs within your Prospect Pool to a neighboring franchisee, or to us or affiliate owned location during the Transitional Period and require you to attend such service calls. In certain situations, neither you nor the Franchise will receive any compensation or proceeds from attending such service calls during the Transitional Period. We reserve the right to extend the 90-day Transitional Period at our sole discretion. The Transitional Period may also apply to third-party administrator relationships. With regards to certain third-party administrators, the Transitional Period may exceed the 90-day period, depending upon individual third-party administrator’s method of operations. (Section 2.B of the Franchise Agreement).

Additional Training

It is required that you watch certain videos related to working in the field in the mold industry prior to opening. Such videos will be designated in the Operations Manual (Section 4.A of the Franchise Agreement).

You must also attend periodic refresher training courses and conferences, at the times and locations we determine, and for which we may charge fees. This training may, at our option, be online. We will determine the duration, curriculum, and/or location of any online or other training. You will be responsible for all travel and living expenses that are incurred by you while

attending such additional courses, conferences, and sessions (Section 4.A of the Franchise Agreement).

Your Franchise’s Service Technicians may be required to attend periodic refresher training courses and conferences, at the times and locations we determine, and for which we may charge a fee and you will be responsible to pay the fee. This training may, at our option, be online. We will determine the duration, curriculum, and/or location of any online or other training. You are responsible for training any additional or replacement Service Technicians. (Section 4.A of the Franchise Agreement).

ITEM 12
TERRITORY

The Franchise Agreement grants you the right to operate your Franchise from a single location (“Office Location”) that will service a specified number of prospects (“Prospect Pool”) that we approve and that will be identified in the Franchise Agreement. We will solely determine the Prospect Pool based on geographic and population parameters. Your Office Location must be inside your Prospect Pool.

Your Prospect Pool is NOT an exclusive territory. The Prospect Pool is an area that will be based on a radius or some other shape as we decide that will be based on a minimum of 300,000 people. Inside the Prospect Pool, we will not allow another MOLDMAN Office Location other than your own. However, (a) you are free to service customers inside or outside the Prospect Pool and anywhere you want across the country and (b) other MOLDMAN franchisees and company-owned locations may do the same, including servicing customers within your Prospect Pool.

Certain prior versions of our Franchise Agreement contain different territorial protections than the Franchise Agreement we currently offer. You may be restricted from servicing customers and working in certain MOLDMAN Prospect Pools if the existing franchisee operating in that Prospect Pool is under a version of franchise agreement that prohibits other franchisees from advertising or providing services in their Prospect Pool so long as they are in compliance with the terms of their franchise agreement.

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

In order to maintain your Prospect Pool, you must achieve a certain level of monthly Customer Payments as follows:

Months of Operation	Minimum Monthly Customer Payments
0 to 12 months	No minimum
13 to 24 months	\$5,000
25+ months	\$10,000

If you do not achieve the level of Customer Payments per month in accordance with the chart above, then we may, in our sole discretion, require you to attend additional training, require your Service Technician to attend additional training, reduce your Prospect Pool and/or terminate your Franchise Agreement.

We and our affiliates retain, as we deem appropriate, reserve the rights to:

1. Establish or allow other MOLDMAN franchisees to establish MOLDMAN Franchises at any location, provided that the above-mentioned Prospect Pool guidelines are followed;
2. Establish another MOLDMAN franchisee or company-owned that can service your Prospect Pool, if the geographic area would allow for it based on population size;
3. Offer and sell services and products anywhere that do not comprise a part of the System or Approved Services, and, in connection with this right, to exploit our Marks, name, reputation, and know-how;
4. Solicit, market to and build National Account (including Foreclosure Work) (as detailed in our Operations Manual) relationships as described below, whose offices may be located anywhere;
5. Bring in other Franchises, company-owned units or establish programs at any location to respond to Large Jobs (as detailed in our Operations Manual);
6. Acquire businesses providing services similar to those provided under the System at any location and to be acquired by such a business;
7. Sell products or services under the Marks at any location through any method of distribution, although we will follow the Prospect Pool guidelines provided above. This includes sales of products or services using the Marks through Alternative Distribution Channels, such as through mail order, catalog sales, telemarketing, Internet, television, newspaper, and any other advertising media to consumers located anywhere; or
8. Use and license to engage in any other activities not expressly prohibited in the Franchise Agreement.

Your marketing activities for your Prospect Pool are also governed by our Advertising & Servicing Policy which can be found in our Operations Manual. The Advertising & Servicing Policy describes the rules by which you may offer, solicit, advertise, and perform the Approved Services of the Franchise and your Franchise location. You may only offer, solicit, advertise, and perform Approved Services within your Prospect Pool in accordance with our Advertising & Servicing Policy.

We may modify our Advertising & Services Policy at any time at our sole discretion. We may make modifications that apply only to specific situations or specific franchisees when we determine it necessary to promote the goals of the System or Advertising & Servicing Policy. We could choose to discontinue our Advertising & Servicing Policy.

Our Advertising & Performing Services Policy currently allows you to operate outside your Prospect Pool under certain conditions. For example, we allow you, under certain terms and conditions defined in our Operations Manual, to perform work in an Open Territory (i.e. a geographic area that does not contain a Prospect Pool assigned to any Franchisee) until we sell the maximum number of Prospect Pools permitted within that Open Territory. We also allow you to perform work for another Franchise's Prospect Pool under limited circumstances as defined in our Operations Manual. For example, if you rightfully acquire a customer within your Prospect

Pool and they ask you to perform work in another Franchise's Prospect Pool (e.g. at their vacation home instead of their main residence), then this is allowed. Please note that all of the terms and conditions that allow you to perform Approved Services in an Open Territory or for a Prospect Pool of another Franchisee, such as both examples above, also allow other Franchisees to perform work in an Open Territory or for the Prospect Pool of another Franchisee, including yours.

We encourage each Franchise to concentrate its efforts on developing and performing work for its designated Prospect Pool because we may, for example, sell an Open Territory that you were relying on at any time and generally, your rights to advertise, market, solicit and perform Approved Services for your Prospect Pool are more protected than outside your Prospect Pool.

At this time, we do not have plans to operate or franchise a business under a different trademark selling similar goods and services as provided by a MOLDMAN Franchise.

Relocation

You may relocate your Office Location within an area that services your Prospect Pool with our prior approval. We will not unreasonably withhold this approval. You may not relocate or reallocate your Prospect Pool.

Additional Franchises and Expansions

Upon your request, we may, but are not obligated to, award you an additional Franchise or an additional Prospect Pool, but any decision to do so will be at our sole discretion and judgment. At a minimum, to be considered for either an additional Franchise or Prospect Pool you:

1. must have sufficient capital and equipment to market and service both the original Prospect Pool and the additional Prospect Pool at the same time;
2. must have a vehicle or purchase a vehicle which will be dedicated to service the additional Prospect Pool;
3. must have an approved business and financial plan for the additional Prospect Pool.
4. must have been operating your Franchise for at least two full years and must be in compliance with your Franchise Agreement.
5. must have a minimum of 52 weeks of on-time reporting and payment of all monies due under the Franchise Agreement.
6. must meet minimum Customer Payments requirements.
7. must not have expanded your existing Prospect Pool in the previous 24 months.
8. must not have your Franchise for sale.

Also, the Prospect Pool you wish to add to your existing Prospect Pool must: (i) not require us to grant an additional Prospect Pool above the limit of the geographic region, (ii) not be in the active sales process with an identified candidate at the time of your request; and (iii) not hamper

our ability to sell Prospect Pools adjacent to your current or additional Prospect Pool.

Restrictions on Co-Venturing

Any project or enterprise undertaken jointly by two (2) or more franchisees will be known as “Co-Venturing.” Co-Venturing with other franchisees must be managed through us and you may not negotiate directly with other MOLDMAN franchisees for Co-Venturing at any time.

You may not subcontract mold remediation Approved Services from another company without our prior written consent. You may not service a customer if doing so is beyond your current equipment capabilities or qualifications, or if it would otherwise disrupt the normal servicing of other existing customers.

It is agreed and understood that no other business or business operations may be undertaken through your franchisee corporate entity, without our prior written consent. Owners, including the Managing Owner, may not own, operate, nor provide substantial support to any business which conducts services identical or similar to us or our affiliates.

National Accounts

We reserve the exclusive right to negotiate and enter into agreements or approve forms of agreement to provide services to “National Account” customers. The term “National Account” means any customer which on its own behalf or through agents, licensees, or other third parties owns, manages, controls or otherwise has responsibility for a business in more than one (1) location, including but not limited to national insurance companies, regardless of the aggregate contract amount of the Approved Services to be performed. Any dispute as to whether a particular customer is a National Account shall be determined by us in our sole discretion and our determination shall be final and binding. Following the execution of a contract with or the acceptance of a bid by a National Account customer which contemplates the provision of Approved Services to one (1) or more National Account customers who are located in your Prospect Pool, we may, if you are qualified to perform the Approved Services and conditioned upon your substantial compliance with the terms of the Franchise Agreement and any other applicable agreements, provide you the opportunity to perform such Approved Services pursuant to the terms and conditions of the National Account contract or on such terms and conditions as we, in our discretion, determine are appropriate. You agree to provide services to all National Account customer referrals within your Prospect Pool. You further agree to provide all services in strict adherence to the System Standards and all service guidelines and performance standards of the National Account. You may be required to enter into a service agreement to participate in certain National Account programs.

If you are not able to provide services to a National Account customer in conformity with the terms and conditions of the National Account contract, or fail to make an election within the time we specify after being offered the opportunity, we have the right, exercisable in our sole discretion, to (i) provide, directly or through any affiliate or other franchisee, services to the National Account customer; and/or (ii) contract with another party to provide such services to the National Account customer. In either event, you will not be entitled to any proceeds from the provision of Approved Services provided to the National Account customer.

Approved Services for National Accounts also include all “Foreclosure Work”. Foreclosure Work includes providing the Approved Services to all properties either currently in foreclosure or

those that have been foreclosed, including, but not limited to, bank-owned or real-estate-owned properties. And, Franchisor has a right of first refusal for providing all Foreclosure Work, even if such properties are located within your Prospect Pool and/or are in connection with a repeat customer (i.e. a customer that you have worked with before). Franchisor has the right, in its sole discretion, to perform the Approved Services for Foreclosure Work on its own or allocate the job to any franchisee or company-owned location.

See our Advertising & Servicing Policy in our Operations Manual for more information on National Accounts.

ITEM 13
TRADEMARKS

We sub-license you the right to use the marks MOLDMAN (word mark) and MOLDMAN (design) and other commercially valuable trademarks and trade names now or hereafter used in the operation of the System and Franchises (collectively, the “Marks”) in connection with the operation of your Franchise.

The following Marks have been registered with the United States Patent and Trademark Office on the principal register, and the owner of the Marks has filed all required affidavits of use and applications for renewal and such affidavits have been accepted (if and as necessary), except that the “FIGHTING MOLD SINCE 2006” Mark is registered on the supplemental register.

Mark	Registration #	Registration Date	Register
MOLDMAN	4276859	January 15, 2013	Principal
	4426644	October 29, 2013	Principal
FIGHTING MOLD SINCE 2006	5547634	August 21, 2018	Supplemental
FROM MOLD TO SOLD	5944538	December 24, 2019	Principal

The following Mark is pending registration with the United States Patent and Trademark Office on the principal register.

Mark	Serial #	Application Date	Register
CLEAN AIR WITHOUT THE SCARE	98371283	January 23, 2024	Principal

Our affiliate, Moldman Enterprises, LLC, has authorized us to use and to sublicense the

use of Marks pursuant to a royalty-free Trademark and Copyright License Agreement dated September 1, 2021 (as amended from time-to-time). We are required to ensure that our use of the Marks and our franchisees' use of the Marks complies with Moldman Enterprises, LLC's quality standards.

Moldman Enterprises, LLC may terminate the Trademark and Copyright License Agreement if we fail to cure any breach of the terms of the Trademark and Copyright License Agreement or if we become the subject of any bankruptcy, receivership or other insolvency proceeding. Termination of the Trademark and Copyright License Agreement will not affect your right to use the Licensed Marks pursuant to the License Agreement. However, all franchise agreements involving a license of the Marks will be assigned to Moldman Enterprises, LLC or its designee.

There are currently no adverse material determinations of the USPTO, or in a state or foreign jurisdiction, or any court, nor are there any cancellation proceedings, nor any pending litigation involving the Marks which may be relevant to their use. All compliant declarations and registration maintenance documents have been filed with the USPTO for the registrations to remain in force.

There is currently no pending material federal or state court litigation regarding our use or ownership rights in the Marks.

Other than the Trademark and Copyright License Agreement, there are no agreements currently in effect that significantly limit our rights within the United States to use, or license others to use, the Marks listed above in any manner material to the Franchise.

You must follow our rules when you use the Marks. Your right to use the Marks is derived only from the Franchise Agreement and is limited to your operation of the Franchise in accordance and in compliance with the Franchise Agreement and all Brand Standards we prescribe from time to time during its term. You promise to use only the Marks that we designate in writing, and use them only in the manner that we authorize. You may not use any Mark in selling any unauthorized services or products or in any other way we have not expressly authorized in writing.

You agree that your use of the Marks, and any goodwill established by this use, will be exclusively for our benefit and that the Franchise Agreement does not confer any goodwill or other interest in the Marks upon you (other than the right to operate a Franchise under the Franchise Agreement). Upon expiration or termination of the Franchise Agreement, no monetary amount will be assigned as attributable to any goodwill associated with your use of the Brand and the Marks.

You must notify us immediately of any apparent infringement you suspect or allegation of infringement you receive. Likewise, you must notify us if there is a challenge to your use of any Mark, or any claim of any rights in the Marks. Unless expressly authorized, you may not communicate with any person other than us and our attorneys, and your attorneys, in any infringement, challenge, or claim except to the minimum extent necessary to receive information about it. We have sole discretion to take the action we deem appropriate and the right to control exclusively any litigation, USPTO proceeding, or any other proceeding arising out of any infringement, challenge, or claim relating to any Mark. We have the exclusive right, but not the obligation, to affirmatively prosecute actions against third parties for infringement or threatened infringement of the Marks.

Provided that you have timely notified us of the claim or proceeding and complied with the Franchise Agreement, as we determine in our sole discretion, we shall indemnify and hold you harmless against any third-party claim, suit or demand arising out of your use of the Marks. If we, in our sole discretion, determine that you have not used the Marks in accordance with the brand standards or Franchise Agreement, you will bear the cost of such defense, including the cost of any judgment or settlement. You promise to sign any and all instruments and documents, render the assistance, and do the acts and things that, in the opinion of our attorneys, may be necessary or advisable to protect and maintain our interests in any litigation or USPTO or other proceeding, or otherwise to protect and maintain our interest in the Marks, including, without limitation, becoming a nominal party to any legal action. Except to the extent that such litigation is the result of your use of the Marks in a manner inconsistent with the terms of the Agreement, we agree to reimburse you for your out-of-pocket costs in performing such acts.

If it becomes advisable at any time, in our sole discretion, for us to modify or discontinue using any Mark and/or use one or more additional or substitute trade or service marks, you will comply with our directions. Any expenses related to the changing of trademarked items will be deemed an expense or Operating Expense of the Franchise. We will not reimburse you for any loss of revenue due to any modified or discontinued Mark or for any expenditures the Franchise makes to promote a modified or substitute trademark or service mark.

We do not know of either superior prior rights or infringing uses that could materially affect your use of our principal Mark in any state.

We are the lawful and sole owner of the domain name <https://moldmanusa.com/>. You cannot apply, register, license out, sublicense out or otherwise claim ownership of any of the Marks that are now or in the future owned by us or any abbreviation, acronym or variation of the Marks, or any other name that could be deemed confusingly similar which includes the terms in whole or in part “mold” and “man”, as Internet domain names. We retain the sole right to advertise the System on the Internet and to create, operate, maintain and modify, or discontinue using any website containing the Marks. Except as we authorize in writing in advance, however, you cannot: (i) link or frame our website; (ii) conduct any business or offer to sell or advertise any products or services on the Internet; or (iii) create or register any Internet domain names in connection with your Franchise.

ITEM 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Patents and Copyrights

Neither we nor our affiliates own the rights in, or licenses to, any patents. We do not own any registered copyrights which are material to the Franchise; however, we claim original works of authorship in our Operations Manual, marketing, promotional and advertising materials, Software, business forms, videos, used in operating and promoting the business. You acknowledge and agree that these materials you are provided access to are the creative works owned by us and our affiliates. Any suggestions, contribution or improvements to works of authorship by either party remain solely owned by us and our affiliates. You must use these items only in the way we specify and only while operating your Franchise.

The Operations Manual is described in Item 11. You can use the proprietary information contained in the Operations Manual in connection with the operation of your Franchise. Item 11

describes limitations on the use of the Operations Manual by you and your employees. You must promptly tell us if you learn about unauthorized use of our proprietary information. We are not obligated to take action against unauthorized users, but will respond to this information as we deem appropriate.

There currently are no effective determinations of the Copyright Office (Library of Congress) or any court regarding any of the copyrighted materials. There are no agreements currently in effect that significantly limit our right to use or allow others to use the copyrighted materials. We do not actually know of any infringing uses that could materially affect your use of the copyrighted materials in any state. We need not protect or defend copyrights, although we may do so when this action is, in our sole opinion, in the best interest of the System.

The Operations Manual, and other materials we possess, contain our confidential information and/or trade secrets. This information includes, but is not limited to: (a) general operating procedures for a Franchise; (b) personnel guidelines for hiring, training, retaining, promoting, and supporting the marketing and sales staff; (c) the Prep Program and Biz & Tech Ops Training Program; (d) written marketing and advertising materials, audiotapes, videos, and programs for their utilization; (e) knowledge of specifications and suppliers of certain equipment and supplies for the Franchise; (f) information on operating results and financial performance of the Franchises other than your own; (g) sales guidelines and strategies for developing business relationships in the insurance industry; (h) the Operations Manual and the franchise owners website and its contents; (i) Customer Information, as defined below; and (j) any other information we deem confidential.

You acknowledge and agree that we own any and all customer lists and their contents that we provide to you and/or that you subsequently develop during the normal course of operating the Franchise. You promise to keep an up-to-date list of all current and former customers in the Software we designate, including their name, email, telephone number, complete mailing address, frequency of service, last date serviced, and price of service (collectively, the "Customer Information"). You may not enter the Customer Information into any other types of software that have not been approved by us. Confidential and trade secret information made available to you is considered proprietary to us and the Franchise.

Proprietary Information

All ideas, concepts, techniques or materials relating to a Franchise, whether or not constituting protectable intellectual property, and whether created by or on behalf of you, must be promptly disclosed to us, will be considered our property and part of our System and will be considered to be works made-for-hire for us. You must sign whatever documents we request to evidence our ownership or to assist us in securing intellectual property rights in such ideas, concepts, techniques or materials.

You may not use our confidential information and/or trade secrets in an unauthorized manner and you must take reasonable steps to prevent unauthorized use or disclosure to others. You also agree that you, as well as certain members of your management and your employees must also execute confidentiality and non-disclosure agreements. All confidential and or trade secret information owned by your Franchise is considered exclusively owned by us and/or our affiliates with exclusive rights to license, assign, sublicense and consent to use as well as revoke authorization to use.

You may not to take any action challenging or supporting a third party challenge to the validity of our trademark registrations or other intellectual property including but not limited to Trademark Trial and Appeals Board (TTAB) oppositions, cancellations or, concurrent use proceedings, Uniform Domain-Name Dispute Resolution Policy (UDRP) proceedings or litigation.

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

You, or one of your owners, as applicable, must, at all times, faithfully, honestly, and diligently perform your obligations under the Franchise Agreement. If you own your Franchise through an entity, a natural person who owns or controls at least a 1/3 share of the ownership must perform the direct, on-site supervision of the Franchise (“Managing Owner”) during the initial five (5) year term of the Franchise Agreement. After the initial five (5) year term of the Franchise Agreement, you may appoint a non-owner to be the Designated General Manager, but at all times, one Managing Owner must supervise the Designated General Manager and the overall business. In addition, at all times, one Managing Owner must be the main contact to us. At no point can the Designated General Manager be the contact or point person to us.

During the term of the Franchise Agreement, you may not have an ownership interest in or business relationship of any nature with any business that competes with the services provided by your Franchise. You may not assist or otherwise participate or support any family relation or close acquaintance in any business offering services provided by us or our affiliates or our franchisees.

At the start of their employment, you must require, as consideration for employment, each of your Service Technicians, Designated General Managers, sales and/or account management employees to sign non-disclosure and confidentiality agreements. Such agreements will prohibit disclosure, by the employee to any other person or legal entity, of any trade secrets, customer lists, or other information, knowledge, or know-how regarding the System or the operation of the Franchise, which is deemed confidential and/or proprietary by us. Such employee non-disclosure and confidentiality agreements will, to the fullest extent permitted by applicable law, prevent employees from servicing or soliciting any of the customers of your Franchise, except in their capacities as employees of the Franchise. We require that you to send us a copy of such agreements once fully signed.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may market and sell only products and services authorized by us and you must offer all of the products and services designated by us to be offered as part of the System, which we may modify from time to time. There are no limitations on our rights to modify the System.

We do not impose any limitations on the customers to whom you may sell approved goods and services at your Franchise, other than the territorial limitations as explained in Item 12.

You are required to participate in all of our System-wide promotional programs as when required by us.

ITEM 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP:

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

	Provisions	Section in Franchise Agreement	Summary
a.	Length of the franchise term	Section 2.A	5 years.
b.	Renewal or extension of the term	Section 13.A	You can renew for an additional 5-year term if you meet our requirements.
c.	Requirements for franchisee to renew or extend	Section 13	In order to renew (which means renewing your franchise relationship with us), you must: (i) not be in default; (ii) not have made certain repeated defaults; (iii) provide us with notice of your intent to renew; (iv) sign our then-current Franchise Agreement, which may contain materially different terms and conditions; and (v) sign a mutual release.
d.	Termination by franchisee	Not Applicable	Not Applicable.
e.	Termination by franchisor without cause	Not Applicable	Not Applicable.
f.	Termination by franchisor with cause.	Section 14	We may terminate your Franchise Agreement with cause as described in (g)-(i) of this Item 17 Chart.
g.	“Cause” defined – curable defaults	Section 14.C	We may terminate the Franchise Agreement after providing you with notice and a 30-day cure period if you: (i) fail to pay us amounts owed or you fail to accurately report to us; (ii) fail to hire a Service Technician; (iii) fail to comply with applicable laws; (iv) fail to comply with the Franchise Agreement, the intranet website, Manuals and/or other confidential materials; (v) fail to comply with System standards modifications; (vi) fail to obtain a vehicle; (vii) use unauthorized products or

	Provisions	Section in Franchise Agreement	Summary
			materials; (viii) fail to provide any required report; (ix) fail to service customers consistent with our System standards; (x) you violate our Advertising & Servicing Policy; (xi) fail to endorse any payments due to us; (xii) fail to maintain the required operating hours; (xiii) fail to personally supervise day-to-day operation or fail to employ sufficient personnel; (xiv) fail to maintain strict quality controls; (xv) conduct yourself in a manner that adversely affects the System; (xvi) fail to procure or maintain any required, licenses, certifications, or permits; or (xvii) fail to meet the required minimum Customer Payments.
h.	“Cause” defined – non- curable defaults	Section 14.A Section 14.B	The Franchise Agreement will automatically terminate without notice or an opportunity to cure if: (i) you are insolvent or bankrupt; (ii) proceedings are commenced against you regarding a bankruptcy and are not dismissed within 60 days; or (iii) you attempt or make an unauthorized transfer. We may terminate the Franchise Agreement, immediately, and without an opportunity to cure, effective upon notice, if: (i) you fail to complete training; (ii) you fail to open within with required time; (iii) you made material misrepresentations to us; (iv) you receive 3 or more notices to cure a similar default in any 2 year period; (v) you are convicted of a felony; (vi) you understate your Royalty by more than 3% on 3 or more occasions in a 2 year period; (vii) you engage in fraud; (viii) you violate our confidentiality provisions; (ix) you abandon; (x) you fail to acquire or maintain the required insurance; (xi) you fail to attend required refresher training; (xii) you fail to train your Service Technician; (xiii) any other Franchise Agreement you have with us is terminated; (xiv) you commit 3 or more defaults-in any 12-month period; (xv) you materially breach any other agreement with us or our affiliates; (xvi) you misuse our Marks or Confidential Information; (xvii) you violate any safety or sanitation law, ordinance or regulation;

	Provisions	Section in Franchise Agreement	Summary
			(xviii) you violate the in-term restrictive covenant; (xix) a levy or writ of attachment or execution or any other lien is placed against you and not released or bonded within 30 days; (xx) you order or purchase supplies, signs, furnishings, fixtures, equipment or inventory from an unapproved supplier; (xxi) you misuse or any MOLDMAN required software; (xxii) you fail to comply with the anti-terrorism provision; (xxiii) you take for your own personal use any assets or property of the MOLDMAN Franchise; or (xxiv) if there are insufficient funds in your bank account 3 or more times in any 12-month period.
i.	Franchisee's obligations on termination/non-renewal	Section 15	Upon termination or expiration of the Franchise Agreement, your obligations include: (i) pay all amounts owed to us; (ii) de-identify and otherwise stop using the Marks in any manner, including in business names and telephone listings; (iii) return all Confidential Information and customer lists to us; (iv) comply with post-term non-competition covenants; and (v) deliver proof of compliance.
j.	Assignment of contract by franchisor	Section 12.A	No restriction on our right to assign.
k.	"Transfer" by franchisee – definition	Section 12.B	Includes transfer of any interest in your Franchise or any ownership change.
l.	Franchisor's approval of transfer by franchisee	Section 12.B	We have the right to approve all transfers and ensure that specified conditions are met but will not unreasonably withhold our consent.
m.	Conditions for franchisor approval of transfer	Section 12.B	Conditions to transfer: (i) you are in full compliance with the Franchise Agreement; (ii) transferee meets our then-current standards; (iii) transferee is not operating a competing business; (iv) you permit us to release information to the transferee; (v) transferee signs our then-current Franchise Agreement; (vi) you pay us a transfer fee; (vii) transferee completes training; (viii) you and the transferee sign a general release; (ix) we approve the

	Provisions	Section in Franchise Agreement	Summary
			material terms of the purchase agreement; (x) the transferee upgrades the Franchise, as necessary; (xi) transferee's financing is subordinate to amounts owed to us; (xii) you retain any required percentage, as applicable; (xiii) your Franchise is open; (xiv) you comply with all post-term obligations; (xv) transferee obtains all required licenses and permits; (xvi) lessors have consented, if applicable; and (xvii) transfer is in compliance with all laws.
n.	Franchisor's right of first refusal to acquire franchisee's business	Section 12.D	Before transferring your interest in the Franchise Agreement, you must first offer us the right to purchase the interest on the same terms and conditions contained in any bona fide offer less the transfer fee. We have 30 days to decide.
o.	Franchisor's option to purchase franchisee's business	Not Applicable	We do not have an option to purchase your Franchise unless you first receive a bona fide offer from a third-party.
p.	Death or disability of franchisee	Section 12.C	You must transfer within 12 months of your death or disability. We will not unreasonably withhold our consent to transfer to your heir(s) if the new franchisee meets our qualification criteria, including financial criteria, training arranged and completed, transfer fee paid, current Franchise Agreement signed, and all outstanding amounts owed us are paid.
q.	Non- competition covenants during the term of the franchise	Section 8	During the term of the Franchise Agreement, you shall not: (i) engage in any competing business offering the same or similar services sold by us and our affiliates; (ii) use our Confidential Information, System, intranet website, Manuals, Marks, customer lists, or Customer Information in the design, development, or operation of any other business; or (iii) divert or attempt to divert any business or customer of the Franchise to any competitor, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System.

	Provisions	Section in Franchise Agreement	Summary
r.	Non- competition covenants after the franchise is terminated or expires	Section 15.D	For a period of 24 months from expiration or termination, you shall not (a) engage in any Competing Services, (b) attempt to or divert any business or customer of the Franchise or (c) do any other act injurious to the goodwill of the Marks or the System or engage in any business relationship with any of your customers or former customers, within: (i) the Prospect Pool; (ii) the Prospect Pools of any MOLDMAN franchisees; or (iii) a radius of 100 miles from the geographic location of your Prospect Pool.
s.	Modification of Agreement	Section 17.I	Modification of the Franchise Agreement must be in writing and agreed upon by both parties.
t.	Integration/ merger clause	Section 17.K	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable.
u.	Dispute resolution by mediation/ arbitration	Section 17.F	You must first attempt to resolve the dispute internally. Then, all claims or disputes must be submitted first to non-binding mediation in Oklahoma. If mediation is unsuccessful, any dispute shall be settled by binding arbitration in Oklahoma. These dispute resolution provisions are subject to state law.
v.	Choice of forum	Section 17.F	All claims not subject to mediation must be commenced in the state of general jurisdiction in Tulsa County, Oklahoma or federal court in the United States District Court for the Northern District of Oklahoma (subject to state law).
w.	Choice of law	Section 17.G	Except federal law, Oklahoma law exclusively applies to the Franchise Agreement (subject to state law).

ITEM 18
PUBLIC FIGURES

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

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

This Item 19 presents the historical financial performance information of our six (6) current franchisees (the “Operating Franchisees”). As of the date of this Disclosure Document, we have six (6) franchisees, two (2) of which purchased an affiliate business that operated in the same manner as a Franchise. One such franchisee opened in 2021 and the other opened in 2022. This Item 19 includes financial data for the period beginning January 1, 2023 and ending December 31, 2023 (“Measurement Period”).

The chart below shows the Average and Median Job Size of Mold Remediation Jobs and Average and Median Job Size of Mold Inspections Jobs earned by the Operating Franchisees during the Measurement Period. The chart also includes the opening date of each Operating Franchisee. For St. Louis and Chicago, these Operating Franchisees purchased an affiliate business such that the Opening Date is the date that these Operating Franchisees purchased such affiliate business.

Operating Franchisee	Opening Date	Average Job Size of Mold Remediation Jobs	Median Job Invoice	Average Job Size of Mold Inspections	Median Inspection Invoice
1	12/30/2022	\$2,035	\$1,600	\$326	\$395
2	10/25/2021	\$2,554	\$1,729	\$338	\$350
3	3/22/2023	\$1,544	\$1,350	\$370	\$395
4	1/30/2023	\$5,627	\$4,823	\$309	\$375
5	3/29/2023	\$3,666	\$643	\$374	\$395
6	8/25/2023	\$1,890	\$1,890	Did not provide Mold Inspections	Did not provide Mold Inspections

Notes:

1. “Average Job Size” for each category means the average Total Revenue invoiced by the Operating Franchisee for the type of job specified.
2. The Average Job Size Mold Remediation and Average Job Size Mold Inspection are taken by generating a report in their operations software that they are required to use (as part of the software provided by the Technology Package Fee) and enter all jobs and inspections. As noted in the chart above, Operating Franchisee Number 6 opened in August 2023 and had only performed one job during 2023, which was a mold remediation job and not a mold inspection.

Some outlets have earned this amount. Your individual results may differ. There is no insurance that you'll earn as much.

This information was provided to us by the Operating Franchisee and comes from their Profit and Loss Statement. We have not audited or independently verified the data included in this Item 19 and no assurance can be offered that the data does not contain inaccuracies that an audit might disclose. We will provide you with written substantiation for the financial performance representation upon reasonable request.

We recommend that you make your own independent investigation to determine whether or not the Franchise may be profitable to you. We suggest strongly that you consult your financial advisor or personal accountant concerning financial projections and federal, state and local income taxes and any other applicable taxes that you may incur in operating a Franchise.

Except as provided above, we do not make any representations about a franchisee's future financial performance or the past financial performance of affiliate/company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Devin Renberg, Director of Operations, 2607 W. 25th Street, Chicago, IL 60608, 312-967-4099, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

Transfers of Outlets from Franchisees to New Owners (Other than the Franchisor) For Years 2021 to 2023				
(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	2021	0	1	+1
	2022	1	2	+1
	2023	2	6	+4
Company Owned*	2021	3	2	-1
	2022	2	1	-1
	2023	1	1	0
Total Outlets	2021	3	3	0
	2022	3	3	0
	2023	3	7	+4

*Note: These Company-Owned outlets are owned by our affiliate, as described in Item 1. We converted 1 Company-Owned unit to a franchise in both 2021 and 2022, thereby reducing our Company-Owned units by 1 and increasing our franchise units by 1 in each such year.

Table No. 2

Transfers of Outlets from Franchisees to New Owners (Other than the Franchisor)		
For Years 2021 to 2023		
(Column 1) State	(Column 2) Year	(Column 3) Number of Transfers
Total	2021	0
	2022	0
	2023	0

Table No. 3

Status of Franchise Outlets For years 2021 to 2023								
(Col. 1) State	(Col. 2) Year	(Col. 3) Outlets at Start of Year	(Col. 4) Outlets Opened	(Col. 5) Terminations	(Col. 6) Non-Renewals	(Col. 7) Reacquired by Franchisor	(Col. 8) Ceased Operations - Other Reasons	(Col. 9) Outlets at End of Year
GA	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
IL	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
MO	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
TN	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1

Totals	2021	0	1	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	2023	2	4	0	0	0	0	6

Table No. 4

Status of Company-Owned Outlets For years 2021 to 2023*							
(Col. 1) State	(Col. 2) Year	(Col. 3) Outlets at Start of Year	(Col. 4) Outlets Opened	(Col. 5) Outlets Reacquired From Franchisees	(Col. 6) Outlets Closed	(Col. 7) Outlets Sold to Franchisees	(Col. 8) Outlets at End of Year
MO	2021	1	0	0	0	1	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
IL	2021	2	0	0	0	0	2
	2022	2	0	0	0	1	1
	2023	1	0	0	0	0	1
Totals	2021	3	0	0	0	1	2
	2022	2	0	0	0	1	1
	2023	1	0	0	0	0	1

*Note: These Company-Owned outlets are owned by our affiliate, as described in Item 1.

Table No. 5

Projected Openings As of December 31, 2023			
(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 Outlets in the Next Fiscal Year
AL	0	2	0
AR	0	1	0
FL	0	2	0

IN	1	0	0
KS	0	1	0
KY	0	2	0
MI	1	0	0
MS	0	1	0
NC	0	1	0
NE	0	1	0
OH	1	1	0
OK	1	0	0
SC	0	1	0
TN	0	1	0
WI	0	1	0
Total	4	15	0

Attached to this Disclosure Document as Exhibit D is a list of all franchisees as 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.

Also attached to this Disclosure Document as Exhibit D is a list of all franchisees who had their location terminated, canceled, not renewed, or who otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the last fiscal year or who have not communicated with Franchisor within 10 weeks of the date of the Disclosure Document.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experiences with us. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you. During the last three (3) years, no franchisees have signed confidentiality clauses.

ITEM 21 **FINANCIAL STATEMENTS**

Exhibit B contains our audited balance sheet as of December 31, 2021 and our audited financial statements for the fiscal years ending December 31, 2022 and December 31, 2023. We have not been operating for three (3) years and therefore cannot provide all financial statements required by the FTC Rule. Our fiscal year end is December 31.

ITEM 22
CONTRACTS

Attached as Exhibits to this Disclosure Document are the following contracts:

Exhibit A – Franchise Agreement

Franchise Agreement Exhibits:

Exhibit C – State Specific Addenda

Exhibit D – Confidentiality/Non-Disclosure Agreement

Exhibit E – Disclosure Acknowledgement Questionnaire

Exhibit F – General Release Form

Exhibit G – Personal Guaranty

ITEM 23
RECEIPTS

Two (2) copies of an acknowledgment of your receipt of this Disclosure Document appear at the end of the Disclosure Document. Please return one signed copy to us and retain the other for your records.

EXHIBIT A TO THE DISCLOSURE DOCUMENT
FRANCHISE AGREEMENT

**MOLDMAN FRANCHISOR LLC
FRANCHISE AGREEMENT
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Exhibits

- A. Prospect Pool Agreement
- B. Starter Kit
- C. State Addenda
- D. Confidentiality/Non-Disclosure Agreement
- E. Disclosure Acknowledgement Questionnaire
- F. General Release Form
- G. Personal Guaranty



MOLDMAN®

Fighting Mold Since 2006

MOLDMAN FRANCHISOR, LLC

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "Agreement") is made and entered into this day of _____, by and between Moldman Franchisor, LLC, an Oklahoma Limited Liability Company, with its principal place of business at 2607 W. 25th Street, Chicago, IL 60608 ("Franchisor" or "us/we") and _____ (together referred to as the "Owners"), residents of the State of _____, and, _____ a _____ company to be formed or already existing whose principal address is _____ ("Franchisee" or "you").

1. INTRODUCTION.

We grant franchises for the right to independently own and operate a franchised business that offers mold inspections, mold testing, mold remediation, water damage remediation and biohazard remediation services utilizing our MOLDMAN System (each, a "Franchise"). In addition to these primary services, Franchises may also offer related minor cleaning and repair services such as general cleanup, minor drywall repair, painting and caulking (used sometimes in the aforementioned primary services), but do not offer construction services provided by licensed contractors, such as plumbing, electrical, roofing, or HVAC services (collectively, the "Approved Services"). The Franchises operate under the marks "MOLDMAN" and "MOLDMAN (design)" as well as other trademarks and tradenames designated by us (collectively, the Marks) and also operate utilizing our proprietary business system described more fully below.

Each Franchise is operated in accordance with our distinctive and proprietary business formats, systems, methods, procedures, techniques, designs, standards and specifications, specific marketing and sales procedures, cleaning, and restoration processes and systems, all of which we (or our affiliates) may improve, further develop or otherwise modify from time to time (collectively referred to as the "MOLDMAN System" or "System"). You will identify that you are a Franchise by exhibiting the Marks on your marketing materials, employee uniforms, stationery, business cards, invoices, and other business supplies and materials.

Each Franchise will market and service a specifically defined prospect pool (the "Prospect Pool") as defined in the Franchise Agreement. Our relationship with you is governed by the terms of the Franchise Agreement (the "Franchise Agreement"), attached as Exhibit A to this Disclosure Document.

Although the following services, if offered separately, fall outside of the "Approved Services" to be offered by your Franchise, including plumbing, electrical, roofing, HVAC and other construction services, if such services are part of the scope of work required to complete the mold remediation, water damage remediation, or biohazard remediation services, then you must invoice such services in our Job Software and pay royalty on such services. However, you may subcontract these other construction services to other contractors or provide these services on your own if you choose, but you are responsible for adhering to all additional local, state and federal laws with regards to licensing, insurance, etc. whether you subcontract them out or do them on your own. In addition, all of our Approved Services are subject to our royalty, regardless of how you got the work. For example, if you are a roofer, and you purchase a Franchise that is run alongside your roofing business, any and all mold remediation, water damage remediation, or biohazard remediation you do is subject to our royalty, as well as related minor cleaning and repair services that naturally fit with these services, regardless of whether the customer contacted your Franchise or your separate roofing company.

You are free to offer other services in the home that are not part of the Moldman Franchise and are not subject to our royalty, but you assume all liability and are responsible for following all local, state and federal laws. You must also make it clear to the customer that these additional services are NOT being offered by Moldman, but by a separate company or you as an Individual.

Our Approved Services may be amended to include other services and products from time-to-time in our Operations Manual or otherwise and ancillary products under the Marks. Our Approved Services must utilize our methods and operating systems as defined in our proprietary Operations Manual (the "Operations Manual").

Following your evaluation of the System, you have expressed to us your desire to obtain the right and license to develop, own, and be franchised to operate a MOLDMAN Franchise.

This Agreement governs the ongoing relationship between you and us.

2. GRANT OF FRANCHISE, PROSPECT POOL, AND RESTRICTIONS

A. GRANT OF FRANCHISE.

Subject to all of the terms and conditions of this Agreement, we hereby grant you the right and license to operate a Franchise utilizing the System and the Marks that will market and service a specifically defined Prospect Pool. You may also perform Approved Services for customers outside of the Prospect Pool per the terms and conditions defined in our Advertising and Servicing Policy, as amended, in our sole discretion, from time to time.

The term of the Franchise will be five (5) years (the "Initial Term") commencing on the date of this Agreement.

You, or one of your owners (as applicable) must, at all times, faithfully, honestly, and diligently perform your obligations under this Agreement. Except as stated herein, you must designate at least one owner who will be our primary individual contact with the MOLDMAN Franchise and who we will approve in our sole discretion (the "Managing Owner").

If you are an entity, then the Managing Owner must own or control at least a 1/3 share of the ownership must perform the direct, on-site supervision of the Franchise during the Initial Term. After the Initial Term, you may appoint a non-owner to be the Designated General Manager (defined below), but at all times, one Managing Owner must supervise the Designated General Manager and the overall operations of the Franchise. In addition, at all times, one Managing Owner must be the main contact to us. At no point can the Designated General Manager be the contact or point person to us.

During the Initial Term of this Agreement, the Managing Owner must also serve as the Designated General Manager ("Designated General Manager"). Except as otherwise provided in this Agreement, the Designated General Manager must continuously exert her/his full-time best efforts to manage, promote and enhance the MOLDMAN Franchise, and such other MOLDMAN Franchises as we permit in our sole discretion.

We are under no obligation to grant you an additional Franchise at any time. If we do grant you an additional franchise(s), then we may, in our sole discretion, allow you to appoint a Designated General Manager without satisfying some or all of this 5-year Designated General Management time requirement above.

The Managing Owner must successfully complete the training program as described in and required by this Agreement. The Managing Owner is also responsible for training the Designated General Manager, if applicable, when allowed per the terms of this Agreement. The Designated General Manager, if applicable, must sign our prescribed form of Confidentiality and Non-Compete Agreement.

The Managing Owner and, if applicable, the Designated General Manager must continuously exert her/his full-time best efforts to manage, promote and enhance the MOLDMAN Franchise, and such other

MOLDMAN Franchises as we permit in our sole discretion. Without our prior written permission, the Managing Owner and, if applicable, the Designated General Manager, must not engage in any other business or activity that conflicts with their obligations to operate the MOLDMAN Franchise on a full-time, year-round basis.

Before commencing operation of the MOLDMAN Franchise, you must complete the Biz & Tech Ops Training Program as described and defined in Section 4.A of this Agreement.

Before attending the Biz & Tech Ops Training Program and/or upon any change to the ownership of your legal entity, you must submit to us a corporate resolution, or similar action, which states the name of the corporation or LLC, the legal names of all of the partners or shareholders, the percentage of ownership that each member controls, their place of residence and their agreement to be bound by the terms of this Agreement. In the case of multiple Owners, you must submit a dispute resolution procedure acceptable to us in our sole discretion that states what you will do in the event that there is a conflict between any owners of the franchise entity. In addition, at all times, the Owners who have executed this Agreement must control 67% of the franchise entity. The remaining Owners must sign a written Confidentiality and Non-Compete Agreement in the form we prescribe.

B. PROSPECT POOL; RESTRICTIONS.

This Agreement grants you the right to operate your Franchise from a single location (“Office Location”) that will service a specified number of prospects (“Prospect Pool”) that we approve and that will be identified in the Franchise Agreement. We will solely determine the Prospect Pool based on geographic and population parameters. Your Office Location must be inside your Prospect Pool.

Your Prospect Pool is NOT an exclusive territory. The Prospect Pool is an area that will be based on a radius or some other shape as we decide that will be based on a minimum of 300,000 people. Inside the Prospect Pool, we will not allow another MOLDMAN Office Location other than your own. However, (a) you are free to service customers inside or outside the Prospect Pool and anywhere you want across the country and (b) other MOLDMAN franchisees and company-owned locations may do the same, including servicing customers within your Prospect Pool. Please note that even though our territorial decision guidelines may change from time to time as we add more franchises, the Prospect Pool that you initially agree to when you join Moldman will be protected for as long as you are not in default of your Franchise Agreement.

You are not required to lease an office space; you may work from your home. However, you are required to have and maintain an official address that will be used to market and identify your location to the public and is referred to as your Office Location. You may choose to use your home address as your official business address if your home address is located within the geographic area consisting of your Prospect Pool. Alternatively, you may choose an official business address other than your home so long as it is within the geographic area that serves your Prospect Pool. You are prohibited from having any reference to a P.O. Box in your official business address. You may relocate your office or business location with our prior approval. We will not unreasonably withhold this approval. You may not relocate your Prospect Pool. If your home does not have the storage space for the equipment and supplies needed to open and operate the Franchise, then you must obtain a storage in the beginning stages of operating your Franchise to store such equipment and supplies.

We and our affiliates retain, as we deem appropriate, reserve the rights to:

1. Establish or allow other MOLDMAN franchisees to establish MOLDMAN Franchises at any location, provided that the above-mentioned Prospect Pool guidelines are followed;
2. Establish another MOLDMAN franchisee or company-owned that can service your Prospect Pool, if the geographic area would allow for it based on population size;
3. Offer and sell services and products anywhere that do not comprise a part of the System or Approved Services, and, in connection with this right, to exploit our Marks, name, reputation, and know-how;

4. Solicit, market to and build National Account (as detailed in our Operations Manual) relationships as described below, whose offices may be located anywhere;
5. Bring in other Franchisees, company-owned units or establish programs at any location to respond to Large Jobs (as detailed in our Operations Manual);
6. Acquire businesses providing services similar to those provided under the System at any location and to be acquired by such a business;
7. Sell products or services under the Marks at any location through any method of distribution, although we will follow the Prospect Pool guidelines provided above. This includes sales of products or services using the Marks through Alternative Distribution Channels, such as though mail order, catalog sales, telemarketing, Internet, television, newspaper, and any other advertising media to consumers located anywhere; or
8. Use and license to engage in any other activities not expressly prohibited in the Franchise Agreement.

Your marketing activities for your Prospect Pool is also governed by our Advertising & Servicing Policy which can be found in our Operations Manual. The Advertising & Servicing Policy describes the rules by which you may offer, solicit, advertise, and perform the Approved Services of the Franchise and your Franchise location. You may only offer, solicit, advertise, and perform Approved Services within your Prospect Pool in accordance with our Advertising & Servicing Policy.

We may modify our Advertising & Services Policy at any time at our sole discretion. We may make modifications that apply only to specific situations or specific franchisees when we determine it necessary to promote the goals of the System or Advertising & Servicing Policy. We could choose to discontinue our Advertising & Servicing Policy.

Our Advertising & Performing Services Policy currently allows you to operate outside your Prospect Pool under certain conditions. For example, we allow you, under certain terms and conditions defined in our Operations Manual, to perform work in an Open Territory (i.e. a geographic area that does not contain a Prospect Pool assigned to any Franchisee) until we sell the maximum number of Prospect Pools permitted within that Open Territory. We also allow you to perform work for another Franchise's Prospect Pool under limited circumstances as defined in our Operations Manual. For example, if you rightfully acquire a customer within your Prospect Pool and they ask you to perform work in another Franchise's Prospect Pool (e.g. at their vacation home instead of their main residence), then this is allowed. Please note that all of the terms and conditions that allow you to perform Approved Services in an Open Territory or for a Prospect Pool of another Franchisee, such as both examples above, also allow other Franchisees to perform work in an Open Territory or for the Prospect Pool of another Franchisee, including yours.

We encourage each Franchisee to concentrate its efforts on developing and performing work for its designated Prospect Pool because we may, for example, sell an Open Territory that you were relying on at any time and generally, your rights to advertise, market, solicit and perform Approved Services for your Prospect Pool are more protected than outside your Prospect Pool

You may not subcontract mold remediation services from another company without our prior written consent. With our prior approval, you may subcontract the provision of our Approved Services to another System franchisee or to one of our affiliate-owned units. In the event you subcontract work, you shall pay the franchisee or our affiliate-owned unit the stated rates we establish, as provided in writing by us and as they may be revised in our sole discretion. Any project or enterprise undertaken jointly by two (2) or more franchisees will be known as "Co-Venturing." Co-Venturing with other franchisees must be managed through us and you may not negotiate directly with other MOLDMAN franchisees for Co-Venturing at any time. Additionally, if you choose not to service a customer within or outside of the Prospect Pool, you must refer us the lead and we will select another System franchisee or affiliate-owned unit to perform the work with no further obligations to you, financial or otherwise ("Required Referral").

You may not service a customer if doing so is beyond your current equipment capabilities or qualifications, or if it would otherwise disrupt the normal servicing of other existing customers. You agree to

only perform work, regardless of the size, scope, or any other attribute, when you have the training, expertise, capacity and skills to perform high quality work for the customer. If any prospective job is outside of your ability, you shall refer us the lead and we will select another System franchisee or affiliate-owned unit to perform the work with no further obligations to you, financial or otherwise.

Upon your successful completion of both the Prep Program and the Biz & Tech Ops Training, we may, at our discretion, require a transitional period of approximately 90 days ("Transitional Period"), in which you and or your Service Technician will have the opportunity to observe a customer service call for customer locations within your Prospect Pool that exceed your current level of experience and expertise. Depending on the scope of work, we reserve the right to refer any jobs within your Prospect Pool to a neighboring franchisee, or to us or affiliate owned location during the Transitional Period and require you to attend such service calls. In certain situations, neither you nor the Franchise will receive any compensation or proceeds from attending such service calls during the Transitional Period. We reserve the right to extend the 90-day Transitional Period at our sole discretion. The Transitional Period may also apply to third-party administrator relationships. With regards to certain third-party administrators, the Transitional Period may exceed the 90-day period, depending upon individual third-party administrator's method of operations.

C. REQUIRED PURCHASES.

You must operate the Franchise according to our standards, specifications, and operating procedures. We will formulate and modify standards and specifications based on our and our franchisees' experiences in operating the Franchise. Our standards and specifications may impose requirements for performance, reputation, quality, and appearance. Our Operations Manuals and other communications identify our standards and specifications and/or names of designated or approved supplies and suppliers. Standards and specifications are updated periodically at our sole discretion.

You may only purchase cleaning agents/chemicals and remediation equipment/supplies that are approved by us in writing prior to your use of them. The list of approved items can be found in our Operations Manual and will be updated from time to time. If you would like to add a supply to our approved list, a request must be made via email to Greg Bukowski at greg@moldmanusa.com and all requests will be considered. There is no fee for this, and also no timeline for approval. If you do not hear from us after 30 days, then your request is considered denied.

D. LARGE JOBS.

Large Job Definition. A Large Job is defined as any single job with the possibility of invoicing the Customer in excess of \$20,000 or any collection of jobs brought about over a short period of time due to any reason, such as a flood, hurricane, foreclosure, etc., that would exceed the capacity of any individual Franchisee in the impacted Prospect Pool.

We retain the exclusive right to establish programs, which may include referring our Approved Services to other Franchisees or Affiliate-Owned Units, to respond to Large Jobs, including Large Jobs servicing customers within your Prospect Pool. These programs may be materially different from the terms of this Agreement. You must notify us and get our prior approval in writing before commencing work on any Large Job.

E. NATIONAL ACCOUNTS; FORECLOSURE WORK.

National Account Definition. A National Account is any customer which on its own behalf or through agents, licensees, or other third parties owns, manages, controls or otherwise has responsibility for a business with more than one (1) location, including but not limited to national insurance companies, regardless of the aggregate contract amount of the Approved Services to be performed. Any dispute as to whether a particular customer is a National Account shall be determined by us in our sole discretion and our determination shall be final and binding.

We retain the exclusive right to negotiate and enter into agreements or approve forms of agreement to provide our Approved Services to National Accounts.

Following the execution of a contract with or the acceptance of a bid by a National Account customer

which contemplates the provision of Approved Services to one (1) or more locations within the Prospect Pool, we may, if you are qualified to perform the Approved Services and conditioned upon your substantial compliance with the terms of this Agreement and any other applicable agreements, provide you the opportunity to perform such Approved Services pursuant to the terms and conditions of the National Account contract or on such terms and conditions as we, in our discretion, determine are appropriate. You agree to provide our Approved Services to all National Accounts referrals within your Prospect Pool. You further agree to provide all Approved Services in strict adherence to the MOLDMAN System Standards and all service guidelines and performance standards of the National Account. You may be required to enter into a service agreement to participate in certain National Account programs.

If you are not able to provide our Approved Services to a National Account customer in conformity with the terms and conditions of the National Account contract, or fail to make an election within the time we specify after being offered the opportunity, we have the right, exercisable in our sole discretion, to (i) provide, directly or through any affiliate or other franchisee or Managing Operator, Approved Services to the National Account customer; and/or (ii) contract with another party to provide such Approved Services to the National Account customer. In either event, you will not be entitled to any proceeds from the provision of Approved Services provided to the National Account customer.

National Accounts also include all "Foreclosure Work". Foreclosure Work includes providing the Approved Services to all properties either currently in foreclosure or those that have been foreclosed, including, but not limited to, bank-owned or real-estate-owned properties. And, Franchisor has a right of first refusal for providing all Foreclosure Work, even if such properties are located within your Prospect Pool and/or are in connection with a repeat customer (i.e. a customer that you have worked with before). Franchisor has the right, in its sole discretion, to perform the Approved Services for Foreclosure Work on its own or allocate the job to any franchisee or company-owned location.

F. ALTERNATIVE DISTRIBUTION CHANNELS

We, our parent and affiliates retain the right to sell products and Approved Services under the Marks at any location through any method of distribution, including, but not limited to, the Internet, catalog sales, telemarketing, or other direct marketing sales (collectively, the "Alternative Distribution Channels"). You may not use Alternative Distribution Channels to make sales at any location and you and/or the Franchise may not receive compensation for sales by us through Alternative Distribution Channels except as described in the following paragraph. If we engage in electronic commerce through any Internet, World Wide Web, or other computer network site, or sell through any other Alternative Distribution Channel, and we receive orders for any System products or Approved Services calling for delivery or performance to customers within your Prospect Pool, we will offer the order to you at the price we establish. If you choose not to fulfill the order, if you do not meet the requirements, or you are otherwise unable to fulfill the order, then we, or another MOLDMAN Affiliate or Franchisee may fulfill the order, and you will not be entitled to any compensation for this.

G. OTHER BUSINESSES/NON-COMPETE.

It is agreed and understood no other business or business operations may be undertaken through your legal entity. Owners, including the Managing Owner, may not own or operate any business which conducts Approved Services identical or similar to those offered through the MOLDMAN System.

3. FEES, ROYALTY, AND OTHER MONETARY REQUIREMENTS.

A. INITIAL FEE; RENEWAL FEE.

We do not require you to pay to us an Initial Fee.

Upon the expiration and renewal of your this Agreement ("Renewal Term"), you will not be required to pay the Initial Fee or Starter Kit Fee, but you must pay our then-current Renewal Fee, and you may be required by us to purchase new or additional equipment, at your sole expense. There are additional conditions in order for you to be granted a renewal term.

B. STARTER KIT FEE; ONLINE MARKETING STARTER PACKAGE; MATCH PROGRAM.

You promise to pay us, or a vendor designated by us in our sole discretion, for specified equipment, products, supplies and services (the "Starter Kit") in the amount of up to \$7,090 (the "Starter Kit Fee"), which monies shall be promptly due and payable before receipt of the Starter Kit. The Starter Kit Fee is non-refundable and deemed fully earned upon payment.

The list of items in the Starter Kit can be found in our Operations Manual and will be updated from time to time. You must purchase the items in the Starter Kit if you do not own them already. The equipment and tools may be purchased "used" as long as they are in good working order. The Starter Kit consists of basic mold remediation equipment, small tools, safety equipment, marketing materials, promotional items, and logo wear listed in Exhibit B.

If you are an existing Mold Remediation business, depending on the types and condition of the equipment you already own, the Starter Kit Fee may be waived or reduced in our sole discretion. We reserve the right to require you to purchase a complete Starter Kit if we deem it necessary.

You are also required to purchase an Online Marketing Starter Package from a designated third-party vendor. You are required to pay the then-current for the Online Marketing Starter Package, which is currently \$558, but is subject to change at any time. The Online Marketing Starter Package consists of two, third party tools used for search engine optimization (SEO) and online marketing for your Franchise. The estimate in the chart above is the current cost for purchasing such package.

In addition to the Starter Kit, we will also send you, at our cost and expenses, branded apparel (including two shirts, a fleece) as well as brochures and business cards for you to use in connection with your Franchise.

We require you to spend a minimum of \$500 total over the first three (3) months (approximately \$167 per month) on paid online advertising campaigns that we will manage on your behalf. After three (3) months, there is no ongoing spending requirement. With our MATCH program, we will match, in an amount not to exceed \$1,500, what you are spending and double your advertising spend over the first three (3) months. For example: if you decide to spend the minimum \$500 during the first three (3) months, then we will also spend \$500 on your advertising campaign that we manage for a total budget of \$1,000. If you decide to spend \$1,500, we will also contribute \$1,500 for a total budget of \$3,000 over the first three (3) months.

C. ROYALTY.

You shall pay us a weekly royalty of ten percent (10%) of all Customer Payments (the "Royalty"). If you are an existing Mold Remediation business ("Conversion Franchise"), then you may be eligible to pay a reduced Royalty based on your Prior Gross Sales. Conversion Franchises will pay a reduced Royalty as follows:

Months 0-12: 5% on Customer Payments up to your Prior Gross Sales and 10% on Customer Payments above your Prior Gross Sales

Months 13-24: 6% on Customer Payments up to your Prior Gross Sales and 10% on Customer Payments above your Prior Gross Sales

Months 25-36: 7% on Customer Payments up to your Prior Gross Sales and 10% on Customer Payments above your Prior Gross Sales

Months 37+: 10% on all Customer Payments

This reduced Royalty for Conversion Franchises is applicable for the first 36 months of operation as a Franchise and is based on your Prior Gross Sales. Prior Gross Sales is defined as your prior 12 months of mold sales (excluding taxes) before the execution date of the Franchise Agreement. Conversion Franchises will pay a 10% Royalty on all Customer Payments.

Royalty Payments shall be paid weekly each Tuesday and are calculated based on Customer

Payments (defined in "DEFINITION OF CUSTOMER PAYMENTS" Section 3.D below) received the prior week. Commissions paid to lead sources (general contractors, content cleaning companies, third party administrators, etc.) do not reduce the amount of Royalty Payment due on Customer Payments.

For purposes of paying the Royalty, we follow the calendar week. You must pay the Royalty by electronic funds transfer ("EFT") or by such other means as we may specify, from time to time and in our sole discretion. On Tuesday of each week, we will initiate a transfer for the amount due to our bank accounts from the bank account designated by you in our EFT Agreement. We may periodically specify other dates for payment of the Royalty Payments at our discretion.

You promise to sign and deliver to us, before the MOLDMAN Franchise opens, the documents we require to authorize us to automatically debit your business checking account each Tuesday for the Royalty due on Customer Payments from the preceding week, including our EFT Agreement.

You also promise to promptly and regularly report a correct statement of all of your Gross Sales and Customer Payments in any software we require, including any proprietary or 3rd party software, along with any other information we specify, in the form and on the schedule we require. You must enter all work performed by you in the required 3rd party software designated by us within 48 hours of the start of the job and you must invoice the customer for all work performed within 48 hours of the completion of the job. You must record in the required 3rd party software designated by us all payments received within 48 hours of receipt.

If you fail to report your Gross Sales and Customer Payments for any week as required, or to record receipt of payments received within 48 hours of being received, we can debit your account on the Tuesday of each week for the same Royalty amount that we debited during the previous week. If the Royalty we debit from your account is greater than the Royalty you actually owe us (once we have determined your true and correct Customer Payments for the month), we will credit the excess against the amount we otherwise would debit from your account on the following week. If the Royalty we debit from your account is less than the Royalty you actually owe us, then we will debit your account for the balance of the Royalty due on the following Tuesday. Our debit of your account will not relieve you of your obligation to pay any late fees or interest due under Section 3.E of this Agreement. We can require you to pay the Royalty by means other than automatic debit (e.g., by check) whenever we deem appropriate, and you must comply with our payment instructions. We reserve the right to revise the date to collect or credit Royalty at our discretion.

Every month, we will review all entries made in the required third party software designated by us and find all jobs which have had changes in the amounts paid by Customers since the previous month, and compute the Royalty on the amount of the change. When amounts are paid on jobs, the Royalty will be calculated on those amounts.

If you transfer this Agreement to a new owner, the Royalty for all Customer Payments received by you prior to the effective date of the transfer must be paid on the day of closing of the transfer. On the effective date of any termination, either by you or by us, or expiration of this Franchise Agreement, you must pay us the Royalty due for all Customer Payments accrued to that date within 30 days. We reserve the right to collect and record receipt on your behalf for all accounts receivables in the event this Agreement is terminated or expires, and you have not already done so by the effective date.

D. DEFINITION OF CUSTOMER PAYMENTS; MINIMUM CUSTOMER PAYMENTS.

"Customer Payments" as used in this Agreement, means all revenue generated from operating the Franchise, whether in cash, in services in kind, from barter and/or exchange, or otherwise. You may deduct from Royalties due sales tax, returns, and credit card merchant fees for processing Customer Payments. Customer Payments Amounts are based on your customer payments collected within the calendar year. All barter and/or exchange transactions for which you furnish our Approved Services and/or products in exchange for goods or services will, for the purpose of determining Customer Payments, be valued at the full retail value of the goods and/or services you provide. You may deduct from Customer Payments the amount of all sales tax receipts or similar tax receipts that, by law, are chargeable to customers, if these taxes are separately stated when the Customer is charged. In accordance with our policies, as published periodically, you may also deduct from Customer Payments the amount of any documented refunds that we consider appropriate. There is no Royalty payment due on the sale of Approved Services, except as

described in Section 3.C. You must pay Royalties on the receipt of the cash, check, credit card, cyber currency, services in kind, barter and/or other exchange as described in Section 3.C.

In order to maintain your Prospect Pool, you must achieve a certain level of monthly Customer Payments as follows:

Months of Operation	Monthly Customer Payments
0 to 12 months	No minimum
13 to 24 months	\$5,000
25+ months	\$10,000

If you do not achieve the level of Customer Payments per month in accordance with the chart above, then we may, in our sole discretion, require you to attend additional training, require your Service Technician to attend additional training, reduce your Prospect Pool and/or terminate this Agreement.

E. LATE REPORT FEE, LATE PAYMENT SERVICE FEE AND INTEREST.

We reserve the right to impose a fee if we begin collecting reports for your Royalty payments, jobs, Gross Sales or Customer Payments and you fail to provide such reports when due. Such fee will be equal to \$25 per week for each week past due ("Late Report Fee").

If the Royalty or any other fee that is due is not available in your account for debiting when due, a late payment fee will be imposed of \$100, for each week past due ("Late Payment Fee"). Additionally, interest will be imposed at the rate of 18% per annum or the maximum rate permitted by applicable law, whichever is greater, from the date these amounts were originally due until the date paid ("Interest Fee"). If we debit your account for monies owed and there are insufficient funds available, we will also charge our current non-sufficient fund fee ("NSF Fee"), which is currently \$100 per NSF transaction. We can automatically debit your account for the Late Payment Fee, NSF Fee, Late Report Fee, Interest Fees and all other fees owed to us.

You acknowledge that this Section does not constitute our agreement to accept any payments after they are due or our commitment to extend credit to, or otherwise finance the operation of the MOLDMAN Franchise. Notwithstanding the provisions of this Section 3.E, your failure to pay any amounts when due constitutes grounds for termination of this Agreement, as provided in Section 14.B. of this Agreement.

F. MANAGEMENT SOFTWARE LICENSING AGREEMENT AND FEES; COMPUTER SYSTEM; INTRANET.

We will provide you with various proprietary and third-party Software platforms that you are required to use for the operation of the MOLDMAN Franchise (the "MOLDMAN Software"). Currently, all MOLDMAN Software consist of third-party software platforms but we reserve the right to develop proprietary software that you may be required to use in the future. You shall pay a Technology Package Fee to us for the expenses of providing and maintaining the MOLDMAN Software. The Technology Package Fee is currently \$73/week. We reserve the right to alter the required MOLDMAN Software and to increase/decrease the Technology Package fee, in our sole discretion, and at any time.

Throughout the term of this Agreement, you must:

1. utilize the MOLDMAN Software as we require in the Operations Manual or elsewhere, in our sole discretion;
2. pay the then-current weekly Technology Package Fee for the MOLDMAN Software in the same manner as you pay the weekly Royalty; and
3. utilize, sign a license agreement for, and pay for, any future proprietary or third-party software program we may designate for use with the System.

We shall have the right to specify or require the Franchise to update or upgrade the Franchise' computer hardware and required software and specify that certain brands, types, makes, and/or models of communications, computer systems, and hardware be used by the Franchise, including without limitation: (i) a compatible back office computer system that complies with our standards and specifications; (ii) a custom and proprietary point of sale system (the "POS System") if we make such a POS System part of our proprietary operating system in the future; (iii) printers and other peripheral hardware or devices; (iv) archival back-up systems; (v) Internet access mode and speed; and (vi) physical, electronic, and other security systems (collectively, the "Computer System").

We shall have the right, but not the obligation, to develop or designate (i) computer software programs you must use in connection with any component of the Computer System, which you shall install at your own expense; (ii) the tangible media upon which you record data; and (iii) the database file structure of the Computer System.

At our request, you shall purchase or lease, and thereafter maintain, the Computer System and MOLDMAN Software. You agree to pay all fees associated with the use of MOLDMAN Software, which may be payable to us or our approved or designated suppliers. You expressly agree to strictly comply with our standards and specifications for all items associated with your Computer System and MOLDMAN Software, including any security software. You agree, at your own expense, to keep your Computer System in good maintenance and repair and install such upgrades, additions, changes, modifications, substitutions, and/or replacements to your Computer System or MOLDMAN Software as we direct from time to time in writing. You agree that your compliance with this Section 3.1 shall be at your sole cost and expense.

The information entered and collected into the MOLDMAN Software will be deemed our confidential information. We have the right to access the Computer System and MOLDMAN Software, the data in it, and the reports it generates at any time. We can do this electronically and/or at your business. This Agreement does not impose a limit as to what data we may access or how we may use the data. We may require that your Computer System and MOLDMAN Software be programmed to automatically transmit data and reports about the operation of the MOLDMAN Franchise to us. We shall also have the right to, at any time without notice, electronically connect with your Computer System and MOLDMAN Software to monitor or retrieve data or for any other purpose we deem necessary. There are no contractual limitations on our right to access the information and data on your POS System, MOLDMAN Software, and Computer System. You shall deliver to us all access codes, static Internet protocol ("IP") addresses and other information to facilitate our access to the data described in this Section 3.1 within 30 days of opening the MOLDMAN Franchise or at such time(s) as requested by us.

You are required to participate in any System-wide computer network, intranet system, or extranet system that we implement and may be required by us to use such computer network, intranet system, or extranet system to, among other things: (i) submit your reports due under this Agreement to us online; (ii) view and print portions of the Operations Manual, including any updates or modifications thereto; (iii) download approved local advertising materials; (iv) communicate with us and other MOLDMAN franchisees; and (v) to complete any initial or ongoing training. You agree to use the facilities of any such computer network, intranet system or extranet system in strict compliance with the standards, protocols, and restrictions that we include in the Operations Manual, including those related to the encryption of confidential information and prohibitions against the transmission of libelous, derogatory or defamatory statements.

Neither we, nor any affiliate or third party is obligated to provide ongoing maintenance, repairs, upgrades or updates to the Computer System or MOLDMAN Software. We currently do not require that you purchase a maintenance, repair, upgrade or update service contract for the Computer System, but we reserve the right to do so in the future. We do not provide support or warranties for hardware or third-party software; any support or warranties are provided solely by the manufacturer or licensor.

G. ELECTRONIC MAIL NETWORK, WEBSITE AND BUSINESS PHONE.

We will provide to you an email address that will have "@MoldmanUSA.com" as its suffix that you must use in the course of your Franchise. We will also provide you with a business email account using this @MoldmanUSA.com email that you must use as well. You are prohibited from using a different email or business email account than the ones we assign you. We require you and all your staff to only use

an@MoldmanUSA.com email address and business account that we assign, except for your Technicians. We reserve the right to require in the future for your Technicians to also use an "@MoldmanUSA.com" email business account as well.

We will create a website page on our Company Website containing information about your location. We may, but are not required, to create additional pages as needed. We may require your assistance to help prepare a portion of these pages. All such information will be subject to our approval prior to posting. You are prohibited from using any other website - including biogs, landing pages or splash pages.

Except as approved in advance in writing by us, you must not establish or maintain a separate email, website, social media page, splash page, blog profile or other presence on the Internet, or otherwise advertise on the Internet or any other public computer network in connection with the Franchise, including any profile on Facebook, Twitter, LinkedIn, YouTube, Pinterest, Instagram, or any other social media and/or networking site. If such approval is granted by us, you must: (i) establish and operate such site or account in accordance with System standards and any other policies we designate in the Operations Manuals or otherwise in writing from time to time; and (ii) utilize any templates that we provide to you to create and/or modify such site(s) or account(s).

If you fail to pay Royalties or other payments required under this Agreement when due, or if you fail to otherwise comply with the terms of this Agreement, we have the unilateral right, without any prior notice to you, to terminate or suspend your right to receive calls or email leads. If your right to receive calls or email leads is suspended or terminated, we have the right to re-direct all calls and email leads placed by customers in your Prospect Pool to our offices, or to other system franchisees and we, or the authorized system franchisee, will be permitted to perform all Approved Services ordered from such calls, whether or not the Approved Services will be performed in your Prospect Pool. You must cease all use of the Moldman phone number and email account(s) we provide you upon the expiration or termination of this Agreement.

As technology advances and new discoveries are made, we have the right to require that you use other technological items, as well as to designate the specific companies, models and/or types that you must use for these technological services.

We shall have the right to modify the provisions of this Section 3.J through the Operations Manual or the System Standards.

H. IMPROPER MARKETING OR SERVICE FEE

For any violation of our then current Advertising & Performing Services Policy in our Operations Manual you must pay to us our then-current Improper Marketing or Service Fee, which is currently up to the greater of \$500 per incident or the invoice amount of the Job improperly obtained. This fee is in addition to, and not in lieu of, any other rights we have under the Franchise Agreement.

I. OUTSTANDING ROYALTY AND FEES OF PREDECESSOR.

In the event you were granted your MOLDMAN Franchise as a result of your purchase of all or substantially all of the assets of the MOLDMAN Franchise owned by a previous franchisee servicing the same Prospect Pool, you promise to pay us the following fees if they are not timely paid by your predecessor:

1. Our current Transfer Fee to defray expenses we incur in processing the transfer; and
2. Any and all outstanding Royalties, amounts owed for purchases from us, and any other fees owed, plus interest, as well as any applicable broker fees, whether incurred by you or by your predecessor franchisee.

J. ONLINE ADVERTISING; NATIONAL MARKETING FUND.

As stated in Section 3.B., we require you to spend a minimum of \$500 total over the first three (3) months (approximately \$167 per month) on paid online advertising campaigns that we will manage on your behalf. After

three (3) months, there is no ongoing spending requirement. With our MATCH program, we will match, in an amount not to exceed \$1,500, what you are spending and double your advertising spend over the first three (3) months.

We reserve the right to establish a system-wide national marketing fund ("National Marketing Fund") for the benefit of the entire System. If implemented, you will be required to contribute the greater of \$75 or 3% of the Franchise's Customer Payments, to the National Marketing Fund on a weekly basis (the "National Marketing Fund Contribution"), in the same manner in which you pay the weekly Royalty. We shall have the right to require that any advertising cooperative or franchisee advisory council be formed, changed, dissolved or merged. We will use the National Marketing Fund Contributions, in our sole discretion, to develop, produce and distribute national, regional and/or local advertising and to create advertising materials and public relations programs which promote, in our sole judgment, the Approved Services offered by System franchisees. We shall have the sole right to determine contributions and expenditures from the National Marketing Fund, or any other advertising program, and the sole authority to determine, without limitation, the selection of the advertising materials and programs, provided, however, that we will make a good faith effort to expend National Marketing Fund Contributions in the general best interests of the System on a national or regional basis.

We may use the National Marketing Fund to satisfy any and all costs of maintaining, administering, directing, preparing, producing, and implementing advertising, including, but not limited to, the cost of: (i) preparing, producing, and implementing television, radio, magazine and newspaper advertising campaigns; (ii) direct mail and outdoor billboard advertising; (iii) public relations activities and advertising agencies; (iv) developing and maintaining an Internet website; and (v) personnel and other departmental costs for advertising that we internally administer or prepare. Nevertheless, you acknowledge that not all System franchisees will benefit directly or on a pro rata basis from such expenditures. While we do not anticipate that any part of the National Marketing Fund contributions will be used for advertising which is principally a solicitation for franchises, we reserve the right to use the National Marketing Fund for public relations or recognition of the MOLDMAN brand, for the creation and maintenance of a website, a portion of which can be used to explain the franchise offering and solicit potential franchisees, and to include a notation in any advertisement indicating "Franchises Available."

We may periodically assist Franchisees to maintain high quality standards through customer surveys, customer interviews, and other similar initiatives ("Surveys"). The cost of such programs will be borne by the National Marketing Fund. We have the right to reimburse ourselves from the National Marketing Fund for such reasonable costs and overhead, if any, that we may incur in activities reasonably related to the direction and implementation of the National Marketing Fund.

We, our affiliates and/or any outlets owned by us or our affiliates are not required to contribute to the National Marketing Fund, and we may, but are not obligated to, advance money to the National Marketing Fund to fund National Marketing Fund programs. In the event that we advance monies to the National Marketing Fund, we will determine, in our sole discretion, the manner and timing for the repayment of some or all of the funds we advanced.

We will prepare on an annual basis, within 120 days of the end of the fiscal year, and make available to you upon written request, a statement of contributions and expenditures for the National Marketing Fund. The National Marketing Fund does not have to be independently audited.

Approved local marketing activities, such as networking and attending a local real estate association or home inspector event, are defined solely by us in our Advertising & Servicing Policy and are subject to change at our discretion at any time for any reason. We encourage your suggestions to add to the approved local marketing activities list, but we are not obligated to approve them. You may spend any sums you wish on local advertising. However, you must use only such advertising and promotional materials as we have previously approved, as more fully described in our Advertising & Servicing Policy. The business phone number provided by us will be the only number you will be allowed to advertise.

4. TRAINING, GENERAL GUIDANCE, AND OPERATIONS MANUAL.

A. TRAINING.

Set Yourself Up for Success Program

Your Managing Owner and, if applicable, Designated General Manager, must successfully complete our Set Yourself Up for Success Program within two (2) months of signing this Agreement and payment of the Initial Fee and Starter Kit Fee, but before attending the Biz & Tech Op Training Program, and before the opening of the MOLDMAN Franchise.

MOLDMAN's Set Yourself Up for Success Program is self-guided and is, essentially, a checklist of some of the most important pre-opening steps that need to be taken for the successful launch of your business. The various tasks must be completed within certain due dates and will be completed from your home. During the Set Yourself Up for Success Program, we will schedule a Biz & Tech Ops Training for you to attend at a later time. You will receive additional guidance and feedback from our training team.

We may waive your attendance at the Set Yourself Up for Success Program if you already operate a MOLDMAN Franchise and are purchasing an additional franchise from us.

Biz & Tech Ops Training Program

Before you begin operating the MOLDMAN Franchise and after you have completed the Set Yourself Up for Success Program, we will furnish the initial training program ("Biz & Tech Ops Training Program") to the Managing Owner at no additional fee. The Managing Owner must complete the Biz & Tech Ops Training Program to our satisfaction within 120 days of signing this Agreement, and failure to do so will result in the termination of this Agreement. The Biz & Tech Ops Training Program may not commence until you have paid all fees due to us.

The Biz & Tech Ops Training Program will be held at our headquarters or another location designated by us. You will be responsible for all travel and living expenses that you and your employees/owners incur for the Biz & Tech Ops Training Program.

If this is a Renewal Term or if this is an additional MOLDMAN Franchise being granted to you, and your Managing Owner has already attended the Biz & Tech Ops Training Program, the requirement that you attend the Initial Training is waived, except the Managing Owner may still be required to successfully complete the most recent online training modules essential to the role of ownership. In such cases, if you do attend Biz & Tech Ops Training Program, you will be assessed our then-current training fee. You will also be responsible for all travel and living expenses that you and your employees/owners incur while training.

You may designate, with our prior approval and on a "space available" basis, additional persons to attend other sessions of the Biz & Tech Ops Training Program. You will be responsible for all costs associated with the additional persons in attendance, the training costs payable to us is currently \$150 per additional person per day. In addition, each person we approve to attend the Biz & Tech Ops Training Program will be required to sign our then-current form of confidentiality and non-disclosure agreement before the start of the Biz & Tech Ops Training Program.

Additional Required Training

You also must attend other training courses and conferences, at the times and locations we determine, and for which we may charge fees. This training may, at our option, be online. We will determine the duration, curriculum, and/or location of any online or other training. You will be responsible for all travel and living expenses that are incurred by you while attending such additional courses, conferences, and sessions.

Your other Employees may also be required to attend periodic refresher training courses and conferences, at the times and locations we determine, and for which we may charge a fee and you will be responsible to pay the fee. This training may, at our option, be online. We will determine the duration, curriculum, and/or location of any online or other training. You are responsible for training any additional or

replacement Service Technicians.

B. GENERAL GUIDANCE.

You will have access to information helpful to the operation of the MOLDMAN Franchise based on reports you submit to us and/or inspections that we make. In addition, we may furnish guidance to you, to the extent we determine necessary in our sole discretion, on the following topics:

1. new products, Approved Services, and methods which we may have discovered or have developed for the System;
2. the purchase and use of supplies, uniforms, equipment, and products;
3. review of work order estimates and invoices;
4. the formulation and implementation of advertising and promotional programs using such merchandising, marketing, and advertising research data and advice as we may periodically develop for use in your local market;
5. the financial and daily operation of the MOLDMAN Franchise including its accounting and record keeping functions;
6. support for the System Software; and
7. other business and marketing advice.

This guidance will, at our discretion, be furnished in our confidential Operations Manual, bulletins, or other written materials, conferences, retreats, conventions, or other training sessions, telephone consultations, electronic communications, and in consultations at our office or the offices of the Franchise.

C. OPERATIONS MANUAL.

The Operations Manual, to be supplied by us, contains mandatory and suggested specifications, standards, operating procedures, and rules (a part of the "System Standards", see Section 9 below for further detail) that we prescribe periodically for the operation of the Franchise, and information on your other obligations under this Agreement and related agreements. We may modify the Operations Manual periodically, in our sole discretion, to reflect changes in the System Standards.

Upon attendance at the Biz & Tech Ops Training Program, we will share with you one (1) or more manuals, technical bulletins or other written or electronically recorded materials covering the proper operating and marketing techniques of the MOLDMAN Franchise. Such written or electronically recorded materials, including the MOLDMAN owner's intranet website, plus all directives, books, safety manuals, pamphlets, bulletins, memoranda, order forms, packing slips, invoices, letters, e-mail, Internet or Intranet data, or other publications, documents, software programs, video tapes, transmittances or communications, in whatever form (including electronic form) prepared by, or on our behalf, for use by the MOLDMAN franchisees generally or for you in particular, setting forth information, advice and standards, requirements, operating procedures, instructions or policies, as same may be added to, deleted or otherwise amended by us from time to time, in our sole discretion, relating to the operation of the MOLDMAN Franchise, are all considered as part of the Operations Manual. You agree that the Operations Manual is specifically incorporated by reference into this Agreement and that it shall be considered a part hereof, and that you shall comply with the Operations Manual as an essential aspect of your obligations under this Agreement and failure by you to comply with the Operations Manual may be considered a breach of this Agreement. To the extent that any terms in this Agreement conflict with those in the Operations Manual, this Agreement shall govern and supersede such conflicting terms. If there is a dispute over its contents, the master copy of each of the Operations Manual that we maintain at our principal office will be controlling.

You agree to use the Marks and System only as specified in the Operations Manual. The Operations Manual is the sole property of us and shall be used by you only during the term of this Agreement and in

strict accordance with the terms and conditions hereof. You shall keep your copy of the Operations Manual current and secure, including, if in paper form, in a secure location in your Office, or if electronic, password protected. You agree that such Operations Manual shall be deemed to be a trade secret and you shall not duplicate the Operations Manual nor disclose its contents to persons other than your authorized employees or officers who need the information contained therein to perform their jobs and who have signed a confidentiality and nondisclosure agreement in a form approved by us. You shall furnish copies of all such nondisclosure and noncompetition agreements to us immediately upon execution. You shall furnish us sufficient evidence, as we deem sufficient in our sole discretion, that you have deleted or destroyed all copies, both electronic and physical, of the Operations Manual, together with all copies of any portion thereof, upon the expiration, termination or assignment of this Agreement.

5. DELEGATION OF PERFORMANCE.

We reserve the right to revise the Operations Manual from time to time in our sole discretion as we deem necessary to update operating and marketing techniques or standards and specifications.

You agree that we have the right to delegate the performance of any portion or all of our obligations and duties under this Agreement to designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations.

6. MARKS.

A. OWNERSHIP AND GOODWILL OF MARKS.

1. You acknowledge that we own and have all rights to the Marks.
2. Your right to use the Marks is derived only from this Agreement and is limited to your operation of the MOLDMAN Franchise in accordance and in compliance with this Agreement, including our Advertising & Servicing Policy, all System Standards, and the Operations Manual, all as we prescribe from time to time during its Term.
3. You promise to use only the Marks that we designate in writing, and to use them only in the manner that we authorize. You may not use any Mark in selling any unauthorized services or products or in any other way we have not expressly authorized in writing.
4. You agree that your use of the Marks, and any goodwill established by this use, will be exclusively for our benefit and that this Agreement does not confer any goodwill or other interest in the Marks upon you (other than the right to operate a MOLDMAN Franchise under this Agreement). Upon the assignment, expiration, or termination of this Agreement, no monetary amount will be assigned as attributable to any goodwill associated with your use of the System and the Marks.
5. All provisions of this Agreement applicable to the Marks apply to any additional proprietary trade and service marks and commercial symbols that we authorize you to use.
6. The right and license of the Marks granted to you under this Agreement is non-exclusive, and we may:
 - a. grant other licenses and franchises for the Marks, in addition to those licenses and franchises already granted;
 - b. use the Marks in connection with marketing and selling of any products and Approved Services as we deem appropriate; and
 - c. develop and establish other systems using the Marks, similar proprietary marks, or any other proprietary marks, and grant licenses thereto without providing any rights to you.

B. NOTIFICATION OF INFRINGEMENTS AND CLAIMS.

You promise to notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any claim by any person of any rights in any Mark, and not to communicate with any person other than us and our attorneys, and your attorneys, in any infringement, challenge, or claim. We have sole discretion to take the action we deem appropriate and the right to control exclusively any litigation, U.S. Patent and Trademark Office ("USPTO") proceeding, or any other administrative proceeding, mediation, arbitration, or private negotiation(s) arising out of any infringement, challenge, claim or otherwise relating to any of the Marks. We have the exclusive right, but not the obligation, to affirmatively prosecute actions against third parties for infringement or threatened infringement of the Marks. Provided that you have timely notified us of the claim or proceeding and complied with this Agreement as we determine in our sole discretion, we shall indemnify and hold you harmless against any loss or expense incurred in connection with any such infringement, challenge or claim. If we, in our sole discretion, determine that you have not used the Marks in accordance with this Agreement, you will bear the cost of such defense, including the cost of any judgment or settlement. You promise to sign any and all instruments and documents, render assistance, and do the acts and things that, in the opinion of our attorneys, may be necessary or advisable to protect and maintain our interests in any litigation or USPTO or other proceeding, or otherwise to protect and maintain our interest in the Marks, including, without limitation, becoming a nominal party to any legal action. Except to the extent that such litigation is the result of your use of the Marks in a manner inconsistent with the terms of this Agreement, we agree to reimburse you for your out-of-pocket costs in performing such acts.

C. LIMITATIONS ON YOUR USE OF MARKS.

1. You promise to use the Marks as the only identification of the Franchise, except that you must identify yourself as the owner of an independent entity in the manner that we prescribe.
2. You promise to affix the Marks upon such, uniforms, equipment, containers, fixtures, signs, stationary, advertising, sales/promotional materials, and such other objects, in such size, color, lettering style and fashion, and at such places as we may designate in the our Advertising & Servicing Policy and the Operations Manual.
3. You promise to not use the Marks, or any words or symbols confusingly similar to them, as part of any corporate or other legal name or with any prefix, suffix, or other modifying words, terms, designs, or symbols. You may not use the Marks in connection with the sale of any product or service not authorized by us or under this Agreement, on an Internet website of your own design, or in any other manner not explicitly authorized in writing by us.
4. Except as expressly provided in our Advertising & Servicing Policy or Operations Manual, you may not display any other trademarks, logotypes, symbols, or service marks, nor may you use any other marks in connection with the Marks, or with the MOLDMAN Franchise, without our prior written approval.
5. You promise that all advertising and promotional materials that you use will bear the appropriate "SM," "TM," "®," or "©" registration symbol and/or such other appropriate notice of ownership, registration, or copyright as we may require.
6. You promise to submit to us, for our approval, your trade name or doing business as name (the "DBA") you intend to use in the operation of the MOLDMAN Franchise before filing for it as required by local laws. We may approve or disapprove such DBA at our discretion. All filings or affidavits, following your receipt from us of an approved DBA, must state that the filing or affidavit is made as "a franchisee of MOLDMAN." The approved DBA is the only DBA that you may use. You may not use a different name under any circumstances, including as a domain name, URL address, marketing, or for any other function.
7. We are the lawful and sole owner of the domain name www.moldmanusa.com. You cannot register any of the Marks that are now or in the future owned by us or any abbreviation,

acronym or variation of the Marks, or any other name that could be deemed confusingly similar, as Internet domain names. We retain the sole right to advertise the System on the Internet and to create, operate, maintain and modify, or discontinue using any website bearing the Marks. You may access our website. Except as we authorize in writing in advance, you may not: (i) link or frame our website; (ii) conduct any business or offer to sell or advertise any products or Approved Services on the Internet; or (iii) create or register any Internet domain names in connection with your MOLDMAN Franchise. The only exception is that, with our prior written approval, you may list the MOLDMAN Franchise in an online directory that is not being managed by us at the time.

8. In order to obtain approval of any use of the Marks, including all advertising containing any Marks, your identification or your DBA, you must submit such proposed use, identification or DBA to us for review at least ten (10) business days before the proposed first use. If we take no action within such ten (10) business day period, such use, identification or DBA shall be deemed disapproved. The approval or disapproval is at our sole discretion. We also may, at our sole discretion, require you to immediately discontinue use of any Mark, advertising, identification or DBA at any time, even if previously approved or provided by us.
9. You must submit and receive our prior written approval in advance for any person that you desire to provide any endorsement or act as a representative for you in connection with local promotion of the Franchise or Marks in a public media.

D. DISCONTINUANCE OF USE OF MARKS.

If it becomes advisable at any time, in our sole discretion, to modify or discontinue the use of any Mark and/or use of one (1) or more additional or substitute names or marks, you must comply with our direction no later than ten (10) days after you have received notice. We will not be liable to you for any expenses, losses, or damages you sustain as the result of any such addition, modification, substitution, or discontinuance of a Mark, and you must not commence or join in any litigation or other proceeding against us for any such expenses, losses, or damages.

7. CONFIDENTIAL AND PROPRIETARY INFORMATION.

A. CONFIDENTIAL INFORMATION.

1. We possess (and will continue to develop and acquire) certain confidential information (the "Confidential Information") relating to the development and operation of MOLDMAN Franchises. The Confidential Information includes (without limitation):
 - a. general operating procedures for a MOLDMAN Franchise;
 - b. Software packages as part of the MOLDMAN Software;
 - c. personnel guidelines for hiring, training, retaining, promoting, and supporting employees and staff;
 - d. the Set Yourself Up for Success Program and Biz & Tech Ops Training Program;
 - e. written marketing and advertising materials, audiotapes, videos, and programs for their utilization;
 - f. knowledge of specifications and suppliers of certain equipment and supplies for the MOLDMAN Franchise;
 - g. information on operating results and financial performance of MOLDMAN Franchises other than your own;

- h. The Operations Manual and the MOLDMAN owners' intranet website and its contents;
 - i. sales guidelines and strategies for developing business relationships in the mold remediation industry;
 - j. The Customer Information, as defined in Section 7.B below; and
 - k. Any other information we deem confidential.
2. You acknowledge and agree that you do not acquire any interest in Confidential Information, other than the right to utilize that which is disclosed to you in operating the MOLDMAN Franchise during the term of this Agreement, and that the use or duplication of any Confidential Information in any other business would constitute an unfair method of competition. You also acknowledge and agree that the Confidential Information is proprietary, includes our trade secrets, and is disclosed to you only on the condition that you promise to, during and at all times after the term of this Agreement:
 - a. not use Confidential Information in any other business or capacity;
 - b. maintain the absolute confidentiality of Confidential Information;
 - c. not make unauthorized copies of any portion of Confidential Information disclosed via electronic medium or in written or other tangible form;
 - d. adopt and implement all reasonable procedures that we prescribe from time to time to prevent unauthorized use or disclosure of Confidential Information, including, without limitation, restrictions on disclosure to or by employees of the MOLDMAN Franchise and others; and
 - e. immediately upon the assignment, expiration or termination of this Agreement, return and cease using in any way all Confidential Information and provide us with immediate access to all computer or other electronic or other storage media, including without limitation, hard drives, memories, CD's,, DVDs, zip drives, PDAs, jump drives or other peripheral drives and memory cards, containing any Confidential Information for the purpose of removing such Confidential Information or, if mutually agreed upon, surrender such devices to us.
3. The foregoing restrictions will not apply to the information that:
 - a. is now public knowledge or hereafter becomes public knowledge through no fault of yours;
 - b. is properly provided to you without restriction by a third party having no such restriction;
 - c. is required to be disclosed by order of a competent court or governmental authority, provided, however, that you provide us with prompt written notice of any claim or litigation that could give rise to such a requirement, you furnish only that portion of the Confidential Information that you are required to disclose, and you advise the governmental authority of your confidentiality obligations under this Agreement and seek to obtain appropriate protective orders or other assurance satisfactory to us of confidential treatment for the information required to be so disclosed.
4. You must disclose to us all ideas, concepts, methods, techniques and products concerning the development and operation of the Franchise that you, your Managing Owner, your Designated General Manager, or your employees or agents conceive or develop during the Term of this Agreement. We shall own the rights to all such ideas, concepts, methods, techniques and products, regardless of the source and you must grant to us and agree to

procure from your affiliates, owners or employees a perpetual, royalty-free, exclusive and worldwide right to use such ideas, concepts, methods, techniques and products concerning the development and operation of the Franchise that your or your agents conceive or develop during the Term of this Agreement. You must sign all documents we request to evidence our ownership or to assist us in securing intellectual property rights in such ideas, concepts, techniques or materials. We will have no obligation to make any lump sum or on-going payments to you with respect to any such idea, concept, method, technique or product. You must agree that you will not use nor will you allow any other person or entity to use any such concept, method, technique or product without obtaining our prior written approval.

B. CUSTOMER INFORMATION AND INBOUND/OUTBOUND CALL LISTS.

You acknowledge and agree that we own any and all customer lists and their contents that we provide to you and/or that you subsequently develop during the normal course of operating the Franchise. You promise to keep an up-to-date list of all current and former customers in the MOLDMAN Software, including their name, email, telephone number, complete mailing address, frequency of service, last date serviced, and price of service ("Customer Information"). You agree that Customer Information is propriety and Confidential Information under this Agreement. You acknowledge and agree that we have available to us through the MOLDMAN Software, an electronic copy of a complete list of current and former Customers, including their name, email, telephone number, complete mailing address, frequency of service, last date serviced, and price of service, and other information concerning such customers. You may not enter the Customer Information into any software other than the MOLDMAN software without our prior written permission.

You acknowledge and agree that we may have available to us through the phone company that we designate a listing of all inbound and outbound calls. The information will be utilized periodically in the development and execution of various marketing strategies for the mutual benefit of you and us. We retain sole discretion in the development of all marketing strategies. You promise not to use any Customer Information for any purpose other than in the normal operation of the Franchise without our prior written approval. You may not file suit against any customers without our prior express written permission. We reserve the right to communicate with persons identified in the Customer Information.

8. COVENANTS NOT TO COMPETE DURING THE TERM OF THIS AGREEMENT.

A. FOR YOU.

During the Term of this Agreement, neither you nor your Owners, Managing Owner, Managing Owner's immediate family members, your Designated General Manager (if applicable), and employees, shall not:

1. engage as an owner, partner, shareholder, director, officer, employee, consultant, agent, or in any other capacity in any other business offering the Approved Services that are the same as or similar to the Approved Services offered by the MOLDMAN Franchise and/or the Approved Services provided by our affiliates (except for other franchises or authorizations we grant you in writing);
2. use our Confidential Information, System, MOLDMAN owners' intranet website, Operations Manual, Marks, Customer lists, Customer Information, trade secrets, trade dress, proprietary knowledge, or know-how, or any colorable imitations, in the design, development, or operation of any business other than the MOLDMAN Franchise franchised hereunder, unless specifically authorized by us; or
3. Divert or attempt to divert any business or customer of the MOLDMAN Franchise to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System.

B. YOUR EMPLOYEES.

At the start of their employment, you must require, as consideration for employment, each of your employees to sign our Non-Disclosure and Confidentiality Agreement. Such agreements will prohibit disclosure, by the employee to any other person or legal entity, of any trade secrets, Customer Lists, or other information, knowledge, or know-how regarding the System or the operation of the MOLDMAN Franchise, which is deemed confidential and/or proprietary by us. Such employee Non-Disclosure and Confidentiality Agreement will, to the fullest extent permitted by applicable law, prevent employees from servicing or soliciting any of the customers or potential customers of your MOLDMAN Franchise, except in their capacities as employees of the Franchise. You shall send us a copy of such agreements once fully signed.

C. OUR RIGHT TO ENFORCE COVENANTS NOT TO COMPETE.

You agree and acknowledge that a violation of the covenants not to compete as listed in this Section and/or in Section 15.D will result in immediate and irreparable injury to us for which no adequate remedy at law will be available. Accordingly, you consent to the entry of injunctive relief prohibiting any conduct by you, your owners, employee, or other agents in violation of the terms of the covenants not to compete and for an accounting of amounts obtained by you, your owners, employee, or other agents. Further, you expressly agree that the existence of any claims you may have against us, whether or not arising from this Agreement or otherwise, will not constitute a defense to the enforcement by us of these covenants not to compete. You promise to pay all costs and expenses (including reasonable attorneys' and experts' fees) incurred by us in connection with the enforcement of these covenants not to compete, if you are found to be in violation of your confidentiality and/or your non-competition obligation(s) under this Agreement. The protection granted in this Section and/or in Section 15.D will be in addition to, and not in lieu of, all other protections for such trade secrets, confidential information, and/or competition as may otherwise be afforded in law or in equity.

The parties expressly agree that the time and geographical limitations contained in this Section and in Section 15.D are reasonable and necessary to protect us and other franchisees from unfair competition if this Agreement is assigned, expires or is terminated for any reason.

D. INTENT AND ENFORCEMENT.

It is the parties' intent that the provisions of this Section 8 be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the non-competition provisions contained herein shall not render any other part unenforceable. In the event of the actual or threatened breach of this Section 8 by Owner, or any immediate family member of Owner(s) (defined as a spouse, sibling or adult child), Designated General Manager (if applicable), or employees, we shall be entitled to an injunction restraining such person from any such actual or threatened breach. Owner(s) agrees that in the event of the actual or threatened breach of this Section 8, our harm will be irreparable and that we have no adequate remedy at law to prevent such harm. Owner(s) acknowledges and agrees on Owner(s) own behalf and on behalf of the persons who are liable under this Section 8 that each has previously worked or been gainfully employed in other careers and that the provisions of this Section 8 in no way prevent any such person from earning a living. Owner(s) further acknowledges and agrees that any time limitation(s) on the enforcement of this Section 8 shall be tolled during any period of default under this Section.

9. SYSTEM STANDARDS.

A. DEVOTION OF TIME.

You must, at all times, faithfully, honestly, and diligently perform your obligations under this Agreement. In Year 1 of the term of this Agreement, Managing Owner or, if applicable, the Designated General Manager, may engage in separate part-time work, that does NOT compete with the Approved Services offered by MOLDMAN, for up to 20 hours per week on weekdays, to supplement their income (no restrictions of hours on weekends). After Year 1 of the term of this Agreement, the Managing Owner or, if

applicable, the Designated General Manager, must devote their full time and personal best efforts to the day-to-day operation of the Franchise. After Year 1 of the term of this Agreement, we require the Managing Owner or, if applicable, the Designated General Manager work full-time on the business during all weekdays, but they are allowed to pursue other part-time work or business opportunities that do NOT compete with the Approved Services offered by MOLDMAN on weekday nights (after 5pm) and weekends.

B. COMPLIANCE WITH SYSTEM STANDARDS

You acknowledge and agree that the operation and maintenance of your MOLDMAN Franchise according to System Standards is essential to preserve the goodwill for the Marks and all MOLDMAN franchisees.

Therefore, at all times during the Term of this Agreement, you agree that the Managing Owner or, if applicable, the Designated General Manager, devote their best efforts to operate and maintain your Franchise according to each and every System Standard, even if you believe that a System Standard is not in the System's or your franchise's best interests. System Standards may be periodically modified and supplemented during the Term of this Agreement and you must comply with any such changes immediately upon notice to you. Furthermore, you must use your best efforts to assure that your employees and agents conduct themselves, during business hours and/or whenever they are in a vehicle used for the Franchise, or when wearing a company uniform with a MOLDMAN logo, in a manner which is consistent with the professional and ethical image of the System.

You will offer and provide all of the Approved Services that we periodically require for MOLDMAN franchisees, and in the manner we prescribe.

System Standards, to be specified, in part, and periodically amended in the Operations Manual, may include, without limitation, standards and specifications regarding:

1. use and display of the Marks;
2. the Approved Services and products which we authorize you to sell to the public;
3. the use of preapproved supplies and equipment;
4. a dress code, during business hours, for you, your employees and your representatives;
5. suppliers you may use for the purchase of uniforms for you, your employees and your representatives;
6. vehicle type, model, color, supplier, trademark representation, and appearance. These specifications are included in our Operations Manual. All vehicles used for the MOLDMAN Franchise, whether they are an existing vehicle or new purchase or lease, are to be, and maintained, in a "good" condition as defined by KELLEY BLUE BOOK ("good" condition means that the vehicle is free of any major defects). The paint, body and interior must have only minor (if any) blemishes, and there may not be any major mechanical problems. In states where rust is a problem, this should be very minimal. We do not allow MOLDMAN vehicles to have any form of advertising such as decals or phone numbers of MOLDMAN or otherwise, unless required by law. You will be required to submit photos of all vehicles used in connection with the MOLDMAN Franchise in the manner and format we prescribe. You may be required to purchase a new vehicle if you are unable to meet the specifications for vehicles outlined in the System Standards;
7. business forms and stationery;
8. designated and approved suppliers for business assets and supplies using our Marks;
9. designated suppliers for vehicles, equipment and supplies;

10. types and amounts of insurance coverage;
11. compliance with applicable laws including obtaining required licenses and permits, payment of all taxes, assessments, fees, fines, and penalties arising out of the operation of the MOLDMAN Franchise;
12. adhering to good business practices, observing high standards of honesty, integrity, fair dealing, and ethical business conduct in all dealings with customers, suppliers, and especially with us, and notifying us of any action, suit, or proceeding commenced against you, your legal entity, employees, and/or agents;
13. general operations including maintenance, sales, marketing, advertising, and promotional programs, call center usage, phone type/model/provider, and materials and media used in these programs, personnel practices, bookkeeping, accounting, data processing, and record keeping systems, and forms, methods, content, and frequency of reports to us of sales and financial performance, and the furnishing of tax returns related to the MOLDMAN Franchise and other operating and financial information to us;
14. responding to any and all customers' inquiries or complaints within one (1) business day, and resolving them within seven (7) days of the initial complaint, to reasonably ensure positive customer relations and maintain the goodwill of the System, even when such response may necessitate re-performing a task not completed to the Customer's satisfaction or a refund of moneys received;
15. requiring use of a global positioning system ("GPS") for your vehicle(s);
16. use of public figures you choose in connection with local promotions;
17. use of a phone system, computer, electronic mail and website that meets our requirements, as periodically updated;
18. marketing, advertising, and promotional material prepared by you;
19. maintaining a number of employees necessary to provide prompt and courteous service;
20. timing of the training of other employees for the MOLDMAN Franchise;
21. necessary amounts of working capital;
22. offering Franchisor's limited warranty to customers; and
23. any other aspect of the operation and maintenance of your MOLDMAN Franchise that we determine periodically to be useful to preserve or enhance the efficient operation, image, or goodwill of the Marks and the System.

You agree to refrain from committing any act or pursuing any course of conduct that tends to bring our Marks and the System into disrepute. You agree to refrain from committing any act or pursuing any course of conduct that is not in the best interest of System, including, but not limited to conduct that is unethical, unprofessional, immoral, annoying, harassing, injurious or otherwise renders dealings between you, us, our affiliates and agents, and/or other MOLDMAN franchisees acrimonious.

You must use your best efforts to promote and increase the demand for MOLDMAN Franchise. All of your advertising and promotion must be completely factual and conform to the highest standards of ethical advertising. You agree to refrain from any business or advertising practice which may be injurious to the MOLDMAN Franchise or the goodwill associated with the Marks and System.

You are solely responsible for: (a) selecting, retaining and paying your employees; (b) the payment of all invoices for the purchase of goods and services used in connection with operating the MOLDMAN Franchise; and (c) determining whether, and on what terms, to obtain any financing or credit that you deem advisable or necessary for the conduct of the MOLDMAN Franchise. You agree to pay all current obligations and liabilities to suppliers, lessors, and creditors on a timely basis. You agree to indemnify us in the event that we are held responsible for debts owed by you if we elect to pay any of your obligations in order to preserve the relationship between system suppliers and MOLDMAN franchisees. You agree to make prompt payment of all federal, state and local taxes, including individual and corporate taxes, sales and use taxes, franchise taxes, gross receipts taxes, employee withholding taxes, FICA taxes, personal property and real estate taxes arising from your operation of the MOLDMAN Franchise. You agree to indemnify us in the event that we are held responsible for any taxes owing from the operation of your MOLDMAN Franchise.

You will have sole authority and control over the day-to-day operations of the MOLDMAN Franchise and your employees and/or independent contractors. You agree to be solely responsible for all employment decisions and to comply with all state, federal, and local hiring laws and functions of the MOLDMAN Franchise, including without limitation, those related to hiring, firing, training, wage and hour requirements, compensation, promotion, record-keeping, supervision, and discipline of employees, paid or unpaid, full or part-time. At no time will you or your employees be deemed to be employees of us or our affiliates.

You shall meet and maintain the highest safety standards and ratings applicable to the operation of the MOLDMAN Franchise. You shall furnish to us within two (2) days of your receipt thereof, a copy of all inspection reports and any violation or citation that indicates your failure to maintain federal, state, or local safety standards in the operation of the MOLDMAN Franchise.

You acknowledge that we have developed the System to offer and sell the Approved Services in a manner that will distinguish the MOLDMAN Franchise from other businesses that offer similar services valued at different prices and with less attention paid to service quality and customer service. You agree to offer the Approved Services and to operate the MOLDMAN Franchise in such a manner that emulates and enhances the image we intend for the System. You further acknowledge and agree that each aspect of the System is important not only to you but also to us and to other MOLDMAN franchisees in order to maintain the highest operating standards, achieve system-wide uniformity and increase the demand for the Approved Services rendered by MOLDMAN franchisees. You agree to comply with the standards, specifications and requirements we set forth in order to uniformly convey the distinctive image of a MOLDMAN Franchise.

You must notify us, in writing, within five (5) days of the commencement of any action, suit or proceeding and the issuance of any order, suit or proceeding of any court, agency or other government instrumentality, including the receipt of any notice or citation, which may adversely affect the operation or financial condition of you or the MOLDMAN Franchise.

C. MODIFICATION OF SYSTEM STANDARDS.

You acknowledge and agree that the System must continue to evolve to reflect changing market conditions and to meet new and changing consumer demands. As a consequence, changes, modifications, and variations to the Systems Standards may be required periodically to preserve and enhance the public image of the System and enhance the operational efficiency of all MOLDMAN franchisees.

You, therefore, agree that we may periodically, and upon reasonable notice to you, add to, modify, phase out, or change the System Standards, including without limitation, the adoption and use of new or modified trademarks, uniforms, signs, vehicle types, telephone numbers and technologies, products, equipment, Approved Services, techniques, proprietary software, non-proprietary software, methodologies and sales strategies. You promise to promptly accept, implement, use, and display in the operation of your MOLDMAN Franchise, all such additions, modifications, and changes at your expense.

All products and materials must meet System Standards and specifications for representation of the Marks and be pre-approved by us regardless of the supplier. In the event you wish to purchase an unapproved item, including inventory, and/or acquire approved items from an unapproved supplier, you must provide us a written request for approval, including a proof of the materials you wish to order. We have no obligation to approve any particular product, service or supplier. If you do not receive approval within ten

(10) days, you should consider the materials disapproved. All products and materials must meet the quality of our current suppliers, and correctly bear the Marks. Standards and specifications are periodically modified to meet changing market conditions and are published in our Operations Manual and on our website. Approval of a supplier may be conditioned on requirements relating to product quality, production and delivery capabilities, ability to meet our supply commitments and financial stability. There is no fee to secure approval to purchase from alternative suppliers, but you must reimburse us our reasonable costs, regardless of approval of your request. At our discretion, we may, with notice to you, revoke our approval of any previously approved products due to changes in standards and specifications or if such products subsequently fail to meet the quality of our current suppliers.

Use of products and materials that have not received our prior written approval and/or do not meet our standards and specifications shall constitute a material breach of this Agreement.

D. OPERATIONS.

1. The Franchise may only offer our Approved Services which include mold inspections, mold testing and mold remediation services, (the "Remediation Approved Services") and other related minor cleaning and repair services such as general cleanup, minor drywall repair, painting and caulking (the "Minor Reconstruction Services"). We may amend these Approved Services at any time and reserve the right to add additional services in the future.
2. You must operate the Franchise on a full-time basis and year-round, except as otherwise specified herein, in the Operations Manual, or otherwise in writing.
3. You must maintain the Franchise and its equipment and vehicles in working condition, and in accordance with all applicable requirements of law, and the Operations Manual and to cause the same to be promptly replaced as they become worn, damaged, obsolete, out of style or mechanically impaired, so as to preserve, maintain and enhance the reputation and goodwill of the System and the Marks.
4. In order to protect our goodwill, Marks and the System, all Approved Services shall be offered only by properly trained personnel strictly in accordance with our standards and processes, and the Operations Manual, as they may be changed from time to time. You acknowledge that such standards and processes are integral to the System and failure to strictly adhere to such standards and processes shall be detrimental to the System and Marks and shall constitute a material breach of this Agreement.

5. You shall ensure that the Franchise employs, at all times, a sufficient number of qualified, competent personnel. All of your employees shall dress conforming to our standards, shall present a neat and clean appearance in conformance with our reasonable standards and shall render competent, efficient service to the customers of the Franchise. You shall immediately train and instruct your employees in accordance with the practices, procedures and methods contained in the Operations Manual, as they may be amended from time to time, and shall continue such training and instruction as long as each employee is employed by the Franchise. The Operations Manual shall set forth the practices, procedures and methods to be utilized by you. You agree to be solely responsible for all employment decisions and to comply with all state, federal, and local hiring laws and functions of the MOLDMAN Franchise.

E. INSURANCE.

Before starting the Biz & Techs Ops Training, you shall purchase and maintain in full force and effect throughout the term of this Agreement, and at your expense, insurance protecting you, your employees, and us, our officers, and our employees, against loss, liability, fire, personal injury, death, property damages, or theft arising from, or occurring in connection with, the operation and promotion of the MOLDMAN Franchise as specified below or otherwise in writing from us. You acknowledge and agree that (a) the insurance you will maintain reflects the minimum amounts of coverage we require, (b) these minimums are not meant to reflect the actual needs you may have, and (c) it is your responsibility to carefully evaluate if these minimums will adequately meet your needs.

All policies will be written by an insurance company(ies) that is/are licensed in the state in which you are doing business, and that has an A.M. Best rating of "A" or better. Currently, you are not obligated by the terms of this Agreement to purchase your insurance from any specific provider, although we reserve the right to specify the specific provider that you must use in the future.

Insurance policies will be written by an insurance company which is satisfactory to us and will be in accordance with the standards and specifications set forth in the Operations Manual or otherwise in writing, and will include, at a minimum (except as additional coverage and higher policy limits may reasonably be specified for all MOLDMAN franchisees from time to time by us in the Operations Manual or otherwise in writing) the following:

Currently, the minimum insurance requirements are as follows:

Type of Insurance	Minimum Limit Requirements
Commercial General Liability (CGL)	<ul style="list-style-type: none"> • Occurrence Coverage • General Aggregate: \$2,000,000 • Products and Completed Operations Aggregate: \$2,000,000 • Each Occurrence: \$1,000,000 • Personal & Advertising Injury: \$1,000,000 • Damages to Rented Premises (Each Occurrence): \$100,000 • Medical Expenses (Any One Person): \$5,000 • Max Deductible: \$5,000
Pollution Liability that Covers Mold Liability	<ul style="list-style-type: none"> • General Aggregate: \$1,000,000. • Each Occurrence: \$1,000,000. • Max Deductible: \$5,000
Automobile Liability	<ul style="list-style-type: none"> • Combined Single Limit (Each Incident) of \$1,000,000 for all owned or leased vehicles and for hired and non- owned motor vehicles
Workers Compensation	<ul style="list-style-type: none"> • Each Accident: \$1,000,000 • Each Disease: \$1,000,000 • Policy Limit: \$1,000,000 • All Workers Compensation & Employers' Liability limits are the minimum stated above or the minimum limit required by your state, whichever is higher. • Your Policy must cover all of your employees, regardless of whether or not state law requires coverage.
Tail Insurance	<ul style="list-style-type: none"> • We do not have any current requirements for Tail Insurance. We reserve the right to require you to purchase tail insurance coverage in the amounts and types we decide from time to time for up to 2 years following transfer, non-renewal, expiration, or termination of your Franchise Agreement.
Other Insurance	<ul style="list-style-type: none"> • Any other insurance as required by any state, county, local, or other municipality

The insurance levels listed above are the minimum we require you to maintain for the MOLDMAN Franchise.

We may, periodically, determine and modify the minimum insurance limits and require different or additional kinds of insurance to reflect changes in insurance standards, normal business practices, higher court grants and other relevant circumstances. To gain adequate protection, you should discuss with your insurance agent and financial advisor to determine if your personal situation requires you to maintain coverage in excess of the minimums that we require. If any lease or Customer contract requires an insurance policy amount to be higher than the amounts we have listed above, you must obtain the highest amount for such policy.

All general liability, pollution and commercial auto insurance policies must be endorsed to include a waiver of subrogation and this endorsement of waiver of subrogation must also be included on your Certificate of Insurance (COi).

All general liability, pollution and commercial auto insurance policies must also be endorsed to name us and our designated affiliates, employees, officers and directors (the "Indemnified Parties") as additional insureds and list us on the Certificate of Insurance (COi).

All general liability, pollution and commercial auto insurance policies will contain no provision which in any way limits or reduces coverage for you if a claim is made by any one or more of the Indemnified Parties, and will extend to and provide indemnity for all obligations assumed by you and all items for which you are required to indemnify us, will be primary to and without right of contribution from any other insurance purchased by the Indemnified Parties, and will provide, by endorsement, that we receive at least 30 days' notice of any intent to cancel or materially alter any policy.

At least ten (10) days before attending either the Biz & Tech Ops Training, commencing the operation of the MOLDMAN Franchise, whenever a change is made to your policy, whenever a change is made to your ownership, and before expiration of any insurance coverage, you must provide us a copy or certificate or other acceptable proof of such insurance. If you do not maintain the required insurance coverage, or do not furnish us with satisfactory evidence of insurance coverage and premium payments, we may obtain, at our sole option and in addition to our other rights and remedies under this Agreement, any required insurance coverage on your behalf. We are under no obligation whatsoever to obtain such insurance, but if we do so, you must fully cooperate with us in our efforts and must promptly sign all forms required to obtain or maintain the insurance. You must also allow any inspections of your MOLDMAN Franchise required to obtain or maintain the insurance. Finally, you must pay us, on demand, any costs and premiums we incur in obtaining insurance on your behalf. Neither your obligation to maintain insurance coverage nor our maintenance of insurance on your behalf, will reduce or absolve you of any obligations of indemnification described in this Agreement. You promise to promptly report all material claims, or potential claims, against you, any Indemnified Party or us, to the insurer and to us.

You may not commence your MOLDMAN Franchise until you have provided the certificates of insurance or other acceptable proof of all insurances. You may not reduce the policy limits, restrict coverage, cancel, or otherwise alter or amend any insurance policy without our written consent.

You must provide us with copies of any insurance claims or insurance cancellations within 24 hours. You have a 24-hour opportunity to cure any lapses in insurance coverage. No insurance policy must be subject to cancellation, termination, nonrenewal or material modification, except upon at least 30 days' prior written notice from the insurance carrier to us. We have the right to increase or otherwise modify the minimum insurance requirements upon 30 days' prior written notice to you, and you shall comply with any such modification within the time specified in said notice.

F. RECORDS, REPORTS AND FINANCIAL STATEMENTS.

We require you to use the MOLDMAN Software as we designate, for maintaining Customer records for the MOLDMAN Franchise. We have confidential access to your databases and related information from the MOLDMAN Software, which we use to compute the Royalty due on Customer Payments, and to make other evaluations and verifications. In addition, you promise to establish and maintain, at your expense, an accounting system. We currently require you to utilize QuickBooks Online Accounting Software, the cost of which is covered by your Technology Package Fee, and maintain our specified Chart of Accounts. We will have automatic password access to your financial reports on this system. You may not utilize any other

accounting or reporting software that is not approved by us. You shall furnish to us, in the manner and format that we require:

1. at our request, a complete employee list;
2. on the 15th day of each month of your MOLDMAN Franchise's operation, an unaudited income statement for the preceding calendar month and a list of all customer payments, in a form satisfactory to us, and such additional reports as we may require;
3. within 60 days after the close of your fiscal year, a complete income statement, a list of all customer payments and other financial statements in a form we may prescribe in our sole discretion;
4. within ten (10) days of our request, exact copies of any state, federal, or other income tax returns covering the operation of the MOLDMAN Franchise, as well as the state, federal and other income tax returns, which we may need to review to assure all Royalties have been accurately reported; and
5. any other reports we may require in the future.

Your fiscal year must end on December 31. You promise to verify and sign each report and financial statement in the manner that we prescribe. We can disclose data derived from these reports only without specifically identifying you or the Franchise (unless we have your written consent to do so). We can require you to have audited financial statements prepared on an annual basis if you fail to comply with any provision of this Agreement. Finally, you will allow us, as we deem appropriate, timely access to your copy of any computer systems that you maintain, to retrieve all information relating to the operation of the MOLDMAN Franchise.

You shall maintain all records, reports, and financial statements for a period of five (5) years during and following the termination, transfer, or expiration of this Agreement.

G. COMPLIANCE WITH LAWS.

You will, at your expense, secure and maintain in force all required licenses, permits, and certificates relating to the operation of the MOLDMAN Franchise and shall operate the MOLDMAN Franchise in full compliance with all applicable local, state and federal laws, rules and regulations. You must, at your expense, comply with all federal, state, and local laws and regulations that apply to the Approved Services and cleaning and restoration businesses in general. If your state or county licenses mold remediation, you must be licensed before commencing operation of the MOLDMAN Franchise and maintain such licenses throughout the term of this Agreement and any Renewal Terms. In states or counties where mold remediation is not licensed by any governmental authority, you must satisfy to us that you possess the qualifications required to perform the Approved Services offered by MOLDMAN Franchises. It is your responsibility to investigate the federal, state and local laws and regulations that pertain to mold remediation, cleaning and restoration businesses.

You will notify us in writing within five (5) days of the commencement of any action, suit, or proceeding for the issuance of any order, writ, injunction, grant or decree or any court, agency or other governmental instrumentality which may adversely affect the operation or financial condition of the MOLDMAN Franchise.

10. INSPECTIONS AND AUDITS.

A. OUR RIGHT TO INSPECT THE FRANCHISE.

To determine whether you are complying with this Agreement and all System Standards, we have the right at any time during Franchise hours to perform an on-site inspection of your Franchise at your Office, and any other locations through which the MOLDMAN Franchise is operated. During such inspection, we may: (i) participate in quality checks of home field services; (ii) interview employees; or (iii) review (a) your books and records, (b) your promotional materials and media advertising, (c) your personnel files and

practices, and/or (d) any and all components of the MOLDMAN Franchise.

You promise to cooperate fully with us in any inspection of your MOLDMAN Franchise, and we promise to use our best efforts to not interfere with the operation of your MOLDMAN Franchise.

B. OUR RIGHT TO AUDIT.

We have the right at any time during business hours, and without prior notice to you, to inspect and audit, or cause to be inspected and audited, any and all financial statements, reports, monthly bank statements for all bank accounts in connection with the Franchise, income tax records, sales tax records, payroll records, software databases, and other records. You promise to cooperate fully with our representatives and independent accountants we hire to conduct any inspection or audit.

If any inspection or audit discloses an understatement of Gross Sales and/or Customer Payments, we can debit your account, as provided in Sections 3.C and 3.H of this Agreement, for the Royalty and which is due on the amount of the understatement, plus interest, at the rate of 18% per annum or the maximum rate permitted by applicable law, whichever is lesser, and all late fees, from the date originally due until the date of payment.

Furthermore, if we conduct an inspection or audit due to your failure to (a) furnish reports, supporting records, or other information as required, (b) furnish these items on a timely basis, or (c) record all Customer Payments in the MOLDMAN Software within 48 hours of their receipt, or we discover that an understatement of Royalty is greater than 3% for any period reviewed, you promise to reimburse us for the cost of the inspection and/or audit, including without limitation, the charges of attorneys and independent accountants, the travel, room and board expenses, and compensation of our agents. Further, if an understatement of the Royalty is greater than 3%, you also promise to pay us an additional penalty fee equal to 25% of the total amount of the understated Royalty.

These remedies are in addition to our other remedies and rights under this Agreement and applicable law.

11. TAXES AND ADVANCES.

A. TAXES.

You promise to pay all taxes as required by local, state, or federal laws regarding the products, service, or equipment furnished or used in connection with the operation of the MOLDMAN Franchise. You promise to promptly pay us, when due, the amount of all sales taxes, use taxes, personal property taxes, and similar taxes imposed upon, required to be collected, or paid by us, to your state and/or local government, on account of services or goods furnished by us to you through sale, lease, or otherwise, or on account of collection by us of the Initial Fee, the Starter Kit Fee, Royalty fees, or any other payments to us under this Agreement.

B. ADVANCES.

You promise to promptly reimburse us for all amounts that we have paid, or have been obligated to pay, on your behalf for any unpaid tax liability, provided, however, that we are not obligated to pay these or any other payments on your behalf under this Agreement or by operation of law.

12. TRANSFER.

A. BY US.

This Agreement is fully transferable by us and will inure to the benefit of any transferee or other legal successor to our interests herein.

B. BY YOU.

You cannot transfer this Agreement, the MOLDMAN Franchise, all or substantially all of the assets

of the MOLDMAN Franchise, or any part of your ownership in the MOLDMAN Franchise (including any voluntary, involuntary, direct or indirect assignment, sale, gift, or other disposition) without our prior written approval and subject to the conditions below. Any such assignment, transfer, or encumbrance without such approval, will constitute a material breach of this Agreement. Any change of ownership requires our approval and must meet the conditions specified below, and the payment of the Transfer Fee will be due should the change of ownership be 33% or more in the aggregate. We will not, however, unreasonably withhold our approval provided that the conditions specified below are met, which we will determine in our sole discretion:

1. you are in full compliance with this Agreement or any other agreement between you and us, our affiliates, or our designated/approved suppliers and vendors, and you have paid all accrued monetary obligations to us, our affiliates, and our designated/approved suppliers and vendors;
2. the transferee has demonstrated sufficient business experience, aptitude, and financial resources to meet our then-current standards for new franchisees, which may include aptitude or assessment testing;
3. the transferee and its owners and affiliates are not engaged in a competitive business, unless they agree to operate all Approved Services, cleaning and restoration businesses as a part of the System;
4. you provide us with written authorization to release to the transferee any and all information about the operation of the MOLDMAN Franchise which we have collected;
5. the transferee must sign our then-current form of franchise agreement for a full term;
6. you pay us:
 - a. our then-current Transfer Fee, which is currently \$1,000, upon the transferee's execution of the new franchise agreement to defray expenses we incur in the transfer, including the costs of training the transferee (we will waive the Transfer Fee for transfers to your spouse or children);
 - b. all Royalty for completed jobs up through the date of closing, fees, amounts owed under any promissory notes with us, Late Payment Fees, Late Report Fees, NSF Fees, Interest Fees, and all other fees or amounts owed to us, plus interest; and
 - c. all commissions, broker fees or other similar expenses if: (i) you list the MOLDMAN Franchise with a broker, lead referral network or similar entity; or (ii) the transferee is referred to you or us by a broker, lead referral network or similar entity;
7. the transferee has successfully completed our Biz & Tech Ops Training Program;
8. you, your principals, and the transferee (if we have a prior relationship with the transferee) have signed a general release, in a form satisfactory to us, of any and all claims against us and our shareholders, officers, directors, employees, and agents;
9. we have approved the material terms and conditions of the transfer and determined that the price and terms of payment will not adversely affect the transferee's operation of the MOLDMAN Franchise;
10. the transferee upgrades the Franchise to conform to our then current specifications and design;
11. if you finance any part of the sale price of the transferred interest, you agree and will assure that all of the transferee's obligations under any promissory notes, agreements, or security interests that you have reserved in the MOLDMAN Franchise, are subordinate to the transferee's obligation to pay Royalty fees, Referral Fees, and other amounts due to us and otherwise to comply with this Agreement;
12. in the event of an approved transfer to a wholly owned corporation or limited liability company,

we will require you to own and control at least 67% of the issued and outstanding capital stock or other ownership interest;

13. you must have attended Biz & Tech Ops Training Program and your business must be open in order to transfer the MOLDMAN Franchise;
14. any transfer does not impact any of your post-termination obligations, including, without limitation, such obligations set forth in Sections 8 or 15;
15. the transferee must obtain, within the time limits set by us, and maintain thereafter, all insurance, permits, and licenses required for the operation of the MOLDMAN Franchise under this Agreement or by law;
16. to the extent required by the terms of any leases or other agreements, the lessors or other parties must have consented to the proposed transfer; and
17. the transfer must be made in compliance with any laws that apply to the transfer, including state and federal laws governing the offer and sale of franchises.

We shall have 60 days from the date of the written notice to approve or disapprove in writing of your proposed transfer. You acknowledge that the proposed transferee shall be evaluated for approval by us based on the same criteria as is currently being used to assess new franchisees of us and that such proposed transferee shall be provided, if appropriate, with such disclosures as may be required by state or federal law. If we have not given you notice of our approval or disapproval within such period, the request for the transfer or assignment is deemed rejected.

C. YOUR DEATH OR DISABILITY.

Upon your death or disability, your executor, administrator, conservator, guardian, or other personal representative must transfer your interest in this Agreement to a third party within a reasonable amount of time, but not to exceed one (1) year. During this time the MOLDMAN Franchise must be operated in full compliance with this Agreement. The transfer will be subject to all of the terms and conditions applicable to transfers that are contained in this Section, with the exception that the Transfer Fee will be waived if the transferee is your spouse or child.

In the event of your death or disability, and before a transfer of your interests in this Agreement, your spouse, child, or parent may, if this party otherwise would qualify as a transferee, operate the Franchise, provided that this person personally manages the business on a full time basis, successfully completes our Biz & Tech Ops Training Program, and signs our then-current franchise agreement to govern the operation of the MOLDMAN Franchise moving forward.

For purposes of this Section, disability is defined as a condition that materially impairs your ability to operate the MOLDMAN Franchise in accordance with this Agreement, whether adjudicated by a court of law or as otherwise determined by us.

D. OUR RIGHT OF FIRST REFUSAL.

If you at any time determine to sell, assign, or transfer for consideration (other than by death or disability) your interest in this Agreement, you must obtain a bona fide, signed written offer and earnest money (in the amount of 5% or more of the offer price) from a responsible and fully disclosed offeror, and immediately submit to us a true and complete copy of the offer which includes details of the payment terms. To be a valid, bona fide offer, the proposed purchase price is to be denominated in a dollar amount.

We have the right, exercisable by written notice delivered to you within 30 days from the date of the delivery to us of both an exact copy of the offer and all other information we request, to purchase the interest for the same price, less the Transfer Fee, and on the same terms and conditions contained in the offer provided that:

1. We may substitute cash for any form of payment proposed in the offer;
2. Our credit will be deemed equal to the credit of any proposed purchaser;
3. We will have 90 days, after giving notice of our election to purchase, to prepare for and complete the closing; and
4. We are entitled to receive, and you must make, the same representations and warranties given to the proposed purchaser.

If we do not exercise our right of first refusal, you may complete the sale to the purchaser on the exact terms of the offer, subject to our approval of the transfer as provided in Section 12.B above. If the sale is not completed within 60 days after the expiration of the right of first refusal, or if there is a material change in the terms of the sale (which you agree promptly to communicate to us), we will have an additional right of first refusal during the 30-day period following either the expiration of the 60-day period or notice to us of the material change(s) in the terms of the sale, either on the terms originally offered or the modified terms, at our option.

E. OWNERSHIP.

1. The following provisions apply if you or any permitted successor is a partnership, Limited Liability Company ("LLC") or corporation:
 - a. The articles of partnership, partnership agreement, articles of organization, articles of incorporation, by-laws and other organizational documents shall provide that the issuance and transfer of any interest in the legal entity is restricted by the terms of this Agreement. Copies of such documents and of resolutions of the legal entity's board of directors or managers authorizing its entry into this Agreement shall be furnished to us upon request.
 - b. All general partners, members and all direct and indirect holders of a 10% or greater equity interest shall, upon the legal entity's execution of this Agreement, execute an agreement personally guaranteeing to us the full payment and performance of the legal entity's obligations to us and undertaking to be bound, individually, jointly and severally, by all the terms of this Agreement including, without limitation, the restrictions on assignment contained herein. The personal guaranty shall be in the form attached hereto as Exhibit G or in such other form as we may from time to time prescribe.
 - c. The legal entity shall not use the name "MOLDMAN" or any other Mark, or any name deceptively similar thereto, except to reflect its franchise relationship with us. Neither the legal entity nor any of its owners may issue or sell, or offer to issue or sell, any securities of the legal entity or an affiliate of the legal entity, regardless of whether such sale or offer would be required to be registered pursuant to the provisions of the Securities Act of 1933, as amended, or the securities laws of any other jurisdiction, without obtaining our prior written consent, which is in our sole discretion, and complying with all of our requirements and restrictions concerning use of information about us.
 - d. The legal entity shall furnish us, at the time of execution of this Agreement and upon all transfers subject to the provisions of this Section 12, a list of all stockholders, members, managers and partners having an interest in the legal entity, their respective percentage interests and the number of shares directly and indirectly owned or controlled by each.
 - e. The legal entity, if a corporation, shall maintain stop transfer instructions against the transfer on its records of any securities with voting rights subject to the restrictions of this Section and shall cause all certificates representing outstanding voting securities to be surrendered for reissuance and cause all certificates for voting securities in the

future to be issued with this legend printed conspicuously upon the face of each certificate: "The transfer of this certificate and the shares it represents is subject to the terms and conditions of a certain Franchise Agreement with MOLDMAN FRANCHISOR, LLC. Reference is made to that Agreement and to certain restrictive provisions of the Articles and By-laws of this corporation."

- f. The legal entity acknowledges and agrees that the restrictions on transfer imposed herein are reasonable and necessary to protect the System, the Marks, the Confidential Information, as well as the MOLDMAN high reputation and image, and are for the protection of us and all other MOLDMAN franchisees.

13. EXPIRATION OF THIS AGREEMENT.

A. YOUR RIGHTS UPON EXPIRATION OF THIS AGREEMENT.

Upon the expiration of this Agreement, provided that during its term you complied substantially with its provisions, including the timely payment of all fees and Royalty, you may continue your Franchise for an additional five (5) year Renewal Term (as previously defined in Section 3.A), subject to our offer.

We may refuse to offer you a Renewal Term if you:

1. are not, at the time, in substantial compliance with this Agreement, or any other ancillary agreement then in effect between you and us;
2. have received written notice by us three (3) or more times during the last 30 months of the Initial Term or any Renewal Terms for failure to comply with the terms of this Agreement and were in violation of your obligation(s), whether or not the failure is subsequently cured;
3. have failed on more than three (3) separate occasions during the last 24 months of the Initial Term or any Renewal Terms to make timely payment to us of all sums due to us;
4. have failed on more than three (3) separate occasions during the last 24 months of the Initial Term or any Renewal Terms to service all Customers in a manner consistent with our System Standards and reputation of ethical and professional conduct;
5. have otherwise engaged in conduct detrimental to the goodwill, standing, or reputation of MOLDMAN, the System, or the Marks or your reputation and standing within the System; or
6. Refuse to accept amendments or other changes to this Agreement to align this Agreement with our then current form franchise agreement being offered to new franchisees.

B. GRANT OF A RENEWAL AGREEMENT.

You promise to give us written notice of your election to pursue a Renewal Term no earlier than nine (9) months, and no later than six (6) months, before the expiration of this Agreement. We promise to give you notice (referred to as "our Notice"), not more than 60 days after we receive your notice, of our decision in accordance with Paragraph A of this Section:

1. to grant you a renewal franchise agreement;
2. to grant you a renewal franchise agreement on the condition that you correct any provisions of this Agreement with which you are not in compliance; or
3. not to grant you a renewal franchise agreement based on our determination that you have not substantially complied with this Agreement during its term.

If applicable, our Notice will state the actions you must take to correct operating deficiencies and a reasonable time period in which these deficiencies are to be corrected.

If we elect not to grant you a renewal franchise agreement, our Notice will describe the reasons for our decision. Your right to a renewal franchise agreement is subject to your continued compliance with all of the terms and conditions of this Agreement through the date of its expiration, in addition to your compliance with the obligations described in our Notice.

C. AGREEMENTS/RELEASES.

If you satisfy all of the other conditions to the granting of a Renewal Term, you promise to sign the then-current franchise agreement and any ancillary agreements for MOLDMAN Franchises, which may include materially different terms, including a different Royalty and/or Prospect Pool. You further promise to sign a mutual general release, in a form satisfactory to us, of any and all claims against either of us and our respective shareholders, officers, directors, employees, agents, successors, and assigns.

Notwithstanding any provision to the contrary, at our request, you will promise to upgrade and remodel the MOLDMAN Franchise at your sole expense to conform to the then-current Operations Manual (the completion of such upgrades shall be a condition of you receiving such Renewal Term). Further, you must submit proof to us that you have the right to operate the MOLDMAN Franchise at the Office for the Renewal Term.

D. RENEWAL FEE.

You shall to pay us a renewal fee of \$1,000 upon execution of your renewal franchise agreement.

14. TERMINATION OF AGREEMENT.

A. AUTOMATIC TERMINATION WITHOUT NOTICE.

This Agreement will automatically terminate without notice or an opportunity to cure upon the occurrence of any of the following:

1. If you make an assignment for the benefit of creditors, file a voluntary petition in bankruptcy, are adjudicated bankrupt or insolvent, file or acquiesce in the filing of a petition seeking reorganization or arrangement under any federal or state bankruptcy or insolvency law, or consent to or acquiesce in the appointment of a trustee or receiver for you or the MOLDMAN Franchise.
2. If proceedings are commenced to have you adjudicated bankrupt or to seek your reorganization, dissolution, partition, or termination under any state or federal law, and such proceedings are not dismissed within 60 days, or a trustee or receiver is appointed for you or the MOLDMAN Franchise without your consent, and the appointment is not vacated within 60 days.
3. You attempt to make an unauthorized transfer of this Agreement or the Franchise in violation of any of the transfer provisions contained in Section 12 of this Agreement.

B. AUTOMATIC TERMINATION WITH NOTICE.

We have the right to terminate this Agreement, immediately, and without the opportunity to cure, effective upon delivery of written notice to you, for any of the following:

1. Your Managing Owner and, if applicable, Designated General Manager, fail to attend or successfully complete the Biz & Tech Ops Training Program within six (6) months of signing this Agreement and/or fulfill all the pre-training requirements, which include the payment of all monies due to us, and the completion of all the required tasks as designated on the MOLDMAN owners' intranet website and in the Operations Manual;
2. You fail to commence operation of the MOLDMAN Franchise within six (6) months of signing this Agreement and/or two (2) months following your successful completion of the Biz &

Tech Ops Training Program, whichever is later;

3. You have made or make any material misrepresentation or omission in purchasing the Franchise or operating the MOLDMAN Franchise;
4. You receive from us three (3) or more notices to cure the same or similar defaults or violations of this Agreement, within any two (2) year period of time, regardless of whether these defaults were cured after notice was sent to you;
5. You are or have been convicted by a trial court of, or plead no contest to a felony or any conviction rising to the equivalent of a felony and/or failure to disclose a prior felony conviction or conviction rising to the equivalent of a felony to us;
6. You understate your Royalty by three percent (3%) or more, in any reported financial statement, on three (3) or more occasions, during any consecutive two (2) year time frame during the term of this Agreement, regardless of whether or not you subsequently rectify the deficiency;
7. You engage in any dishonest or unethical conduct, which may adversely affect the reputation of the MOLDMAN Franchise, or the general goodwill associated with the Marks;
8. You violate any provision regarding confidentiality or non-disclosure contained in Sections 8 and 15 of this Agreement;
9. You cease to continuously and actively operate the Franchise for ten (10) consecutive days, unless caused by an act of God, or other circumstance beyond your control, as determined by us; or your conduct is otherwise determined by us to constitute an abandonment of the Franchise;
10. You fail to acquire or continuously maintain the required minimum levels of insurance, fail to have an endorsement on your insurance policy that names us as an additional insured, or fail to provide a current certificate of insurance to us as required in Section 9.E of this Agreement. However, we will not exercise our right to terminate this Agreement if upon receipt of notice from us, you immediately cease operating the MOLDMAN Franchise and obtain such insurance within ten (10) days after written notice is delivered to you prior to resuming operation;
11. You fail to attend required training without our written approval;
12. You fail to train your Service Technician;
13. Any other franchise agreement or other agreement you or your owner(s) or affiliates have with us, or any franchise agreement you or your owner(s) or affiliates have with MOLDMAN FRANCHISOR, LLC is terminated for any reason;
14. You commit three (3) or more defaults of this Agreement, of any type, in any 12-month period;
15. If you or your principals materially breach any other agreement with us or any of our affiliates, or threaten any material breach of any such agreement, or any lease for the Office, and fail to cure such breach within any permitted period for cure;
16. If you or your principals or agents materially violate any provision hereof pertaining to Marks or Confidential Information or misuse the Marks or Confidential Information;
17. If you violate any safety or sanitation law, ordinance or regulation or operate the MOLDMAN Franchise in a manner that presents a health or safety hazard to yourself, your employees, to customers, or the general public;

18. If you violate the in-term restrictive covenant contained in Section 8 or fail to refer a Required Referral, as defined in Section 2.B to us;
19. If a levy of writ of attachment or execution or any other lien is placed against you or any of your principals or any of their assets which is not released or bonded against within 30 days;
20. You order or purchase supplies, signs, furnishings, fixtures, equipment, vehicle(s) or inventory for the Franchise from an unapproved supplier;
21. You misuse or make unauthorized use of any required 3rd party or proprietary software for use in connection with the System;
22. You fail to comply with the provisions of anti-terrorism in Section 17.R;
23. You take for your own personal use any assets or property of the MOLDMAN Franchise, including employee taxes, FICA, insurance or benefits; or
24. If there are insufficient funds in your bank account to cover a check or EFT payment to us three (3) or more times within any 12-month period.

C. TERMINATION IF NOT CURED WITHIN 30 DAYS.

We have the right to terminate this Agreement if any of the following defaults remains uncured after your receipt of a default notice from us and expiration of 30-days therefrom ("Cure Period"):

1. You fail to make payment of any amounts due to us, or funds are not available in your account for debiting when they are due, or you do not record in the MOLDMAN Software funds paid to you for jobs completed within 48 hours of their receipt and invoices for all work performed within 48 hours of the completion of the job, or you default on any loan made to you by us or our preferred lender, if applicable, in connection with your MOLDMAN Franchise;
2. You fail to employ and train a Full-Time (defined as averaging more than 30 hours per week) Service Technician for two or more consecutive months starting after Year 1 (month 13); (you are not required to employ and train a Service Technician within the first 12 months of signing this Agreement; but starting by month 13 of signing this Agreement, you must employ and train a full-time Service Technician).
3. You fail, within 30 days after notification of non-compliance by federal, state or local government authorities to comply with any law or regulation applicable to the MOLDMAN Franchise;
4. You fail to comply with any part or condition, warranty, or certification requirement in this Agreement, the MOLDMAN owners' intranet website, Operations Manual and/or other MOLDMAN confidential materials;
5. You fail to comply with modifications to System Standards on the MOLDMAN owners' intranet website, or in the Operations Manual within the required time period;
6. You do not have a vehicle that meets our standards to operate the Franchise;
7. You fail to receive our prior written approval and use products or materials that do not meet our System Standards and/or do not promptly discontinue use after written notice from us;
8. You fail to timely provide us with any report, statement, or return required by this Agreement;

9. You fail to service all Customers in a manner consistent with our System Standards and reputation and you fail to cure such inconsistency;
10. You advertise, market, solicit or provide Approved Services to a customer that violates the terms of our Advertising & Servicing Policy, as amended from time to time, without our prior written consent;
11. You fail to immediately endorse and deliver to us any payments due to us from any third party that is erroneously made to you;
12. If you fail to maintain the prescribed months, days or hours of operation at the MOLDMAN Franchise;
13. If you fail, in our sole discretion, to personally supervise day-to-day operation of the MOLDMAN Franchise or fail to employ a sufficient number of qualified, competent personnel as we require from time to time;
14. If you fail to maintain the strict quality controls reasonably required by this Agreement and/or the Operations Manual;
15. You conduct yourself in a manner that, although not criminal, reflects adversely on you, the System, the Marks, or the products offered through the System.
16. You fail to procure or maintain any licenses, certifications, or permits necessary for the operation of your MOLDMAN Franchise; or
17. You fail to meet or exceed the required Minimum Customer Payments.

We also have the right to terminate this Agreement after providing notice and a 30-day cure period if you fail to perform or comply with any one or more of the terms or conditions of this Agreement or the Operations Manual not specifically contained in this Section above; including, without limitation, any warranty, or certification of this Agreement, and any System Standard or other provision in the MOLDMAN owners' intranet website or the Operations Manual.

In addition to our right to terminate this Agreement, and not in lieu of such right, or any other rights we may have against you, upon a failure to cure any default within the applicable time period (if any), we have the right, but not the obligation, to enter upon the MOLDMAN Franchise premises and exercise complete authority with respect to the operation of the MOLDMAN Franchise until such time as we determine, in our sole discretion, that the default has been cured, and you are otherwise in compliance with this Agreement. In the event we exercise the rights described in this Section, you must pay us a reasonable management fee and reimburse us for all reasonable costs and overhead, if any, incurred in connection with our operation of your MOLDMAN Franchise including, without limitation, costs of personnel for supervising and staffing the MOLDMAN Franchise and their travel and lodging accommodations, plus a 20% service charge. This fee is in addition to the payment of the management fee and all other fees due under this Agreement during the time we exercise our rights under this Agreement. If we undertake to operate the MOLDMAN Franchise pursuant to this Section, you agree to indemnify and hold us (and our representative(s) and employees) harmless from and against any fines, claims, suits or proceedings that may arise out of our operation of the MOLDMAN Franchise.

Our delay in exercising or failing to exercise any right or remedy under this Agreement or our acceptance of any late or partial payment due hereunder will not constitute a waiver of any of our rights or remedies against you.

15. POST TERMINATION OBLIGATIONS.

A. PAYMENT OF AMOUNTS OWED TO US.

You promise to pay to us, on the effective date of termination or expiration of this Agreement, or at any later date that the amounts due to us are determined:

1. all Royalty fees, Referral Fees, promissory note balance(s), Late Report Fees, Late Payment Fees, NSF Fees, Interest Fees, or any other fees, amounts or interest owed to us; and
2. upon termination for any default, the actual and consequential damages, costs, and expenses (including reasonable attorneys' and experts' fees) incurred by us as a result of your default.

The obligation to pay said sums will create a lien in favor of us against any and all of the personal property, vehicles, furnishings, equipment, signs, fixtures, and inventory of the MOLDMAN Franchise and/or against any moneys we hold or otherwise come to our possession.

Any transferee (or purchaser of all or substantially all of the assets of the MOLDMAN Franchise) shall be liable for payment of these items if you do not timely pay them. Provided, however, the foregoing sentence will not release or discharge you from your obligations to pay us pursuant to this Section and/or to indemnify or reimburse the transferee or purchaser pursuant to the applicable purchase or transfer agreement.

B. MARKS.

Upon the termination or expiration of this Agreement, you promise to:

1. strictly comply with, observe, and abide by all of the post-termination provisions of this Agreement, including those as set forth in Sections 7, 8 and 15 of this Agreement;
2. neither directly nor indirectly represent to the public that any other business you may then own or operate, is or was operated as, or was in any way connected to, the System;
3. not hold yourself out or advertise in any context that you are a present franchisee or were a former franchisee of ours, except as required by law;
4. immediately refrain from engaging in any business relationship with any contacts with Customers or former Customers of the Franchise, whether with respect to collection of accounts receivable, providing Approved Services, or for any other purpose whatsoever;
5. assign any and all accounts receivable to us for collection, unless all Royalty fees and other payment obligations to us are paid in full. In connection with this assignment, you appoint us as attorney-in-fact to engage in these collection activities and you specifically refrain from engaging in any of these collection activities. We promise to employ good faith efforts, including where appropriate in our sole and exclusive judgment the commencement of legal proceedings to collect the accounts receivable. We have no duty or obligation to you to accomplish the collection of such accounts receivable. We will remit to you any of these sums collected after first deducting all moneys owed to us and our costs of collection;
6. immediately cease operation under this Agreement and not operate or do business under any name or in any manner which might tend to give the general public the impression that you are operating a MOLDMAN Franchise, or any confusingly similar business;
7. take the action required to cancel all DBAs or equivalent registrations relating to your use of any Mark;

8. deliver to us, within seven (7) days, all electronic and hard copies of Customer Information;
9. remove and deliver to us, within five (5) days, the Operations Manual and all copies thereof, and all proprietary information, confidential material, required software (including the MOLDMAN Software), signs, sign-faces, marketing and advertising materials, forms, uniform patches, decals (or proof of their removal) and other materials containing any Mark or otherwise identifying or relating to a MOLDMAN Franchise, and allow us, without liability to you or third parties, to remove all of these items from your vehicles and place of business;
10. provide us with any information or assistance that we need so that we (not you) can notify the telephone company and all telephone directory publishers and Internet directory listings (including Google, Yahoo! and others) of the termination or expiration of your right to use any listing, telephone, telecopy, or other numbers and any telephone directory listings associated with any Mark, and authorize the transfer of these numbers and directory listings to us or, at our direction, instruct the telephone company to forward all calls made to your telephone number to numbers we specify. If you fail to do so, we can take whatever action is necessary, on your behalf and consistent with the telephone and any other listing agreement, to affect these events;
11. agree to cooperate with us to effectuate any change in telephone numbers or other transfers of our property to us, including the signing of any forms, authorizations or other documents necessary;
12. deliver to us, upon our request, an assignment of any real estate leases for property from which the MOLDMAN Franchise was operated; and
13. deliver to us, within 30 days, evidence that is satisfactory to us of your compliance with each of the foregoing obligations.

C. CONFIDENTIAL INFORMATION.

You promise that, upon termination or expiration of this Agreement, you must immediately cease to use any of our Confidential Information (including any computer software that we have provided or made available to you) in any business or otherwise, return to us all copies of the Operations Manual and other confidential materials that we have loaned to you, and you shall not maintain any copies of any such materials, in whole or part.

D. COVENANT NOT TO COMPETE.

For a period of 24 months from the effective date of any transfer, expiration or termination of this Agreement, you and your owners and, if applicable, your Designated General Manager, shall not (a) engage as an owner, shareholder, partner, director, officer, employee, consultant, salesperson, representative, or agent or in any other capacity in any business offering our Approved Services, (b) solicit business from Customers of your former MOLDMAN Franchise or contact any of our suppliers or vendors for any competitive business purpose, or (c) divert or attempt to divert any business or Customer of the MOLDMAN Franchise to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System or engage in any business relationship with any contacts with Customers or former Customers of the MOLDMAN Franchise, whether with respect to collection of accounts receivable, or to provide them our Approved Services, or for any other purpose whatsoever, within:

1. the Prospect Pool as defined in this Agreement;
2. the geographic area encompassed by the Prospect Pools of any MOLDMAN franchisees, Company Stores, or any other MOLDMAN Franchise operator, as of the date of the termination or expiration of this Agreement; or
3. a geographic area that is contained in a circle having a radius of 100 miles outward from the

outside boundary of the geographic area consisting of your Prospect Pool as defined in this Agreement.

E. CONTINUING OBLIGATIONS AND OTHER OBLIGATIONS.

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

If, within five (5) days after termination or expiration of this Agreement, you fail to remove all displays of the Marks, we may enter the MOLDMAN Franchise to effect removal. In this event, you agree that you may not file any complaint or action against us for trespass or any other violation or claim, nor shall we be accountable or required to pay for any displays or materials. You agree that this Agreement shall constitute your complete consent to such entry set forth in this Section.

If, within 30 days after termination or expiration, you have not taken all steps necessary to amend or terminate any registration, telephone number, email address, domain name, URL, or filing of any business name or DBA or any other registration or filing containing the Marks or any names and marks which are identified or associated with the Marks and System, you hereby irrevocably appoint us as your true and lawful attorney-in-fact for you, and in your name, place and stead and on your behalf, to take action as may be necessary to amend or terminate all registrations and filings, this appointment being coupled with an interest to enable us to protect the Marks and System. We may, at our discretion, choose to have your telephone numbers, domain names and/or URLs forwarded or directed to us.

You shall permit us to make final inspection of your financial records, books, and other accounting records within eighteen (18) months of the effective date of termination, expiration, or transfer.

Termination or expiration of this Agreement shall not affect, modify or discharge any claims, rights, causes of action or remedies which we may have against you, whether such claims or rights arise before or after termination or expiration, including, without limitation, our rights to receive or collect fees or other amounts payable by you under this Agreement, to enforce the provisions of this Agreement against you, to sue for damages, seek and obtain ex-parte or other injunctive relief, to pursue any other legal or equitable remedy for breach of this Agreement, or otherwise constitute a waiver of any of our other rights upon the occurrence of an event giving rise to our right to terminate. We shall not be obligated following any such termination, expiration or cancellation, to refund any amount previously paid by you under the terms of this Agreement.

You shall, for three (3) years following any termination or expiration of this Agreement, keep us advised of your current business and residence address and telephone numbers, as well as the business address and phone number of your employer and the employer(s) of any of your principal owners.

Upon expiration or termination, you shall allow us, our affiliates and our franchisees to solicit your employees for employment.

You shall not form, adopt or use in connection with, or in the name of, any subsequent business the terms or term "MOLDMAN" or any term confusingly similar to such term or any other term which may have the effect of creating confusion or question regarding his/her affiliation with the Marks, System or us.

16. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.

A. INDEPENDENT CONTRACTORS.

You acknowledge and agree that, under this Agreement, you are and will be an independent contractor of ours. You will not be deemed an employee of ours for any purpose, and no employee of yours will be deemed to be an employee of ours for any purpose, most particularly with respect to any mandated or other insurance coverage, tax, or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state, or federal governmental agency. Nothing in this Agreement will be construed so as to create a partnership, joint venture, or agency. You do not have any power to obligate us for any expenses, liabilities, or other obligations, other than as is specifically provided for in this Agreement. We will not have

the power to hire or fire your employees and, except as expressly provided in this Agreement, we may not control or have access to your funds or expenditures, or in any other way exercise dominion or control over the Franchise.

You promise to identify yourself conspicuously in all dealings with customers, suppliers, public officials, the MOLDMAN Franchise' employees, and others, and in the manner we prescribe, as the owner of the MOLDMAN Franchise under a franchise agreement that we have granted and to place notices of independent ownership on the forms, business vehicles, stationery, and advertising, and other materials we require you to use.

B. NO LIABILITY FOR ACTS OF OTHER PARTY.

Neither you nor we will make any express or implied agreements, warranties, guarantees, or representations or incur any debt in the name of or on behalf of the other party, or represent that the relationship between you and us is other than that of franchisor and franchisee. We do not assume any liability, and will not be deemed liable for any agreements, representations, or warranties made by you which are not expressly authorized under this Agreement, for any damages to any person or property which directly or indirectly arise from or relate to your operation of the MOLDMAN Franchise authorized by this Agreement.

C. INDEMNIFICATION.

You promise to protect, defend, and indemnify us, and all of our past, present, and future shareholders, direct and indirect parent companies, subsidiaries, affiliates, officers, directors, employees, attorneys, agents and designees (the "Indemnified Parties"), and hold Indemnified Parties harmless from and against any and all costs and expenses, including attorneys' fees, court costs, losses, liabilities, damages, claims and demands of every kind or nature on account of any actual or alleged loss, injury, or damage to any person, firm, or corporation, or to any property arising out of, or in connection with, your operation of the Franchise.

Under no circumstances will we, or any other Indemnified Party, be required to seek recovery from any insurer or other third party, in order to maintain and recover fully a claim against you. You agree that a failure to pursue recovery against others will in no way reduce or alter the amounts we or another Indemnified Party may recover from you.

Neither this Agreement nor our course of conduct is intended, nor may anything in this Agreement (nor our course of conduct) be construed to state or imply that we are the employer of your employees and/or independent contractors, nor vice versa.

D. NO LIABILITY FOR TECHNOLOGY FAILURE.

We are not liable for any direct, incidental, or consequential damages, including but not limited to, lost profits, lost savings or consequential, punitive or incidental damages for any reason whatsoever, including but not limited to any cause arising out of or in any way connected to a technology related problem, such as high-speed internet connection, electronic mail, software, website, computer, phone systems and other electronic equipment, or call center.

17. ENFORCEMENT.

A. SEVERABILITY.

Nothing contained in this Agreement will be construed as requiring the commission of any act contrary to law. Whenever there is any conflict between any provision of this Agreement, the MOLDMAN owners' intranet website, or the Operations Manual, and any present or future statute, law, ordinance, or regulation, contrary to which the parties have no legal right to contract, the latter will prevail and the provisions of this Agreement and the Operations Manual thus affected will be curtailed and limited only to the extent necessary to bring them within the requirements of the law. In the event that any part, article, section, paragraph, sentence, or clause of this Agreement, the MOLDMAN owners' intranet website, or the Operations Manual, will be held to be indefinite, invalid, or otherwise unenforceable, the indefinite, invalid, or

unenforceable provision will be deemed deleted, and the remaining part of this Agreement will continue in full force and effect.

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

If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of termination, or refusal to renew, than this Agreement, the prior notice or other action required by such law or rule will be substituted for the notice requirements of this Agreement. Such modification to this Agreement will be effective only in such jurisdiction and this Agreement will otherwise be enforced as originally made and entered into in all other jurisdictions.

B. WAIVER OF OBLIGATIONS.

Either of us may, by written notice, unilaterally waive or reduce any obligation or restriction of the other party under this Agreement. The waiver or reduction may be revoked at any time, for any reason, on ten (10) days' written notice.

C. FEES AND EXPENSES.

If you are in breach or default of any monetary or non-monetary material obligation under this Agreement or any related agreement between you and us and/or our affiliates, and we engage an attorney to enforce our rights (whether or not formal judicial proceedings are initiated), you must pay all reasonable attorneys' fees, court costs and litigation expenses we incur. If you institute any legal action to interpret or enforce the terms of this Agreement, and your claim in such action is denied or the action is dismissed, we are entitled to recover our reasonable attorneys' fees, and all other reasonable costs and expenses incurred in defending against same, and to have such an amount granted as part of the judgment in the proceeding.

D. YOU MAY NOT WITHHOLD PAYMENT TO US/RIGHT TO OFFSET.

You promise to not withhold payment of any amount due to us on the grounds of our alleged nonperformance or for any other reason. In the event that you are delinquent on any fees or payments to us, we have the right to offset against any payment obligations or sums we may owe to you to satisfy your delinquent payments in full.

E. RIGHTS OF PARTIES ARE CUMULATIVE.

Your and our rights are cumulative and no exercise or enforcement by either of us of any right or remedy in this Agreement will preclude the exercise or enforcement by that party of any other right or remedy to which it is entitled by law.

F. DISPUTE RESOLUTION PROCEDURES.

Prior Notice of Claims.

As a condition precedent to commencing any action, in any venue or forum, against us or our shareholders, officers, directors, agents and employees with respect to any controversy, dispute, claim for damages, or for violation or breach of this Agreement, you must notify us within 30 days after the occurrence of the violation or breach. Such notice must further be delivered to us 60 days prior to commencing any such action. The notice to us must specify, in detail, the precise nature and grounds of such claim or dispute. We will have a period of 30 days following receipt of such notice within which to conduct the Internal Dispute Resolution, set forth below and to notify you as to whether we elect to exercise our option to require such controversy, claim or dispute to be submitted to mediation. Your failure to timely give such notice shall preclude any such claims.

Internal Dispute Resolution.

Any controversy, claim or dispute you have with us and/or our shareholders, officers, directors, agents and employees shall first be submitted to our Director of Operations, after providing notice as set forth above. You must exhaust this internal dispute resolution procedure before you may bring your dispute before a third party. This agreement to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.

Mediation.

All controversies, claims or disputes between us, our shareholders, officers, directors, agents and employees and you, arising out of, or in any way relating to, this Agreement or any other agreement by and between you and us or our affiliates, or any of the parties' respective rights and obligations arising from such agreement, or the operation of the MOLDMAN Franchise, which are not first resolved through the internal dispute resolution procedure set forth above, must be submitted first to non-binding mediation in Tulsa, Oklahoma by a mediation service selected by the parties. Each party shall bear its own attorney's fees and shall share mediation costs equally. This agreement to mediate shall survive any termination or expiration of this Agreement.

- a. We shall not be required to first attempt to mediate a controversy, dispute, or claim as set forth above if such controversy, dispute, or claim concerns an allegation that you have violated (or threaten to violate, or pose an imminent risk of violating):
 - i. Any protected property rights in the Marks, the System, trade secrets, or Confidential Information;
 - ii. Any claims pertaining to or arising out of any warranty issue;
 - iii. Any of the restrictive covenants contained in this Agreement; or
 - iv. Any claims arising out of or related to fraud or misrepresentation by you or your insolvency.

Arbitration.

If the parties are unable to resolve any controversy, claim or dispute by negotiation and mediation, then all issues encompassed by such controversy, claim or dispute and concerning any matter between the parties, shall be submitted to binding arbitration by an arbitration service selected by the parties. The award rendered by the arbitrator shall be final, non-appealable and binding as between the parties. Judgment of such award may be entered in any court having jurisdiction thereof. The following shall apply to any arbitration:

- a. A single neutral arbitrator shall be selected by the parties.
- b. Notice of a demand for arbitration of any dispute subject to arbitration by one party shall be delivered in writing to the other party and the arbitration service.
- c. Arbitration shall take place in Tulsa, Oklahoma.
- d. Any questions that may arise with respect to the obligation of discovery and disclosure and the protection of the disclosed and discovered material shall be referred to the sole arbitrator, whose determination shall be made in accordance with this Agreement and shall be final and conclusive. Any discovery shall be completed no later than ninety (90) days after filing of such notice of arbitration unless extended by the arbitrator.
- e. The arbitrator may consider any material that is relevant to the subject matter of such dispute, even if such material might also be relevant to an issue or issues not subject to arbitration hereunder. A stenographic record shall be made of the arbitration hearing.
- f. The parties shall equally share the costs of the arbitrator.

- g. The parties shall be responsible for their own attorney fees, witness fees, expenses, costs, and expert witness fees.

Selection of Venue.

Nothing contained in this Agreement shall prevent us from applying to and obtaining from any court having jurisdiction injunctive relief, without posting a bond, including a temporary restraining order, writ of attachment, temporary injunction, preliminary injunction, and/or other emergency relief available to safeguard and protect our interests. If injunctive relief is granted, your only remedy will be the court's dissolution of the injunctive relief. If the injunctive relief was wrongfully issued, you expressly waive all claims for damages you incur as a result of the wrongful issuance.

The parties expressly agree to the exclusive jurisdiction and venue of any court of general jurisdiction in Tulsa County, Oklahoma or the United States District Court for the Northern District of Oklahoma. You acknowledge that this Agreement has been entered into in the State of Oklahoma, and that you are to receive valuable and continuing services emanating from our office in Tulsa, Oklahoma, including but not limited to training, assistance, support and the development of the System. In recognition of such services and their origin, you hereby irrevocably consent to the personal jurisdiction of the state and federal courts of the State of Oklahoma as set forth above and waive any objection you may have to either the jurisdiction or venue in such court. In the event that you file an action in any venue, forum or jurisdiction in violation of this Section, you shall pay our costs and fees, including our reasonable attorneys' fees, in connection with any efforts to order the dispute to the proper venue, forum or jurisdiction.

Third Party Beneficiaries.

Our officers, directors, shareholders, agents and/or employees are express third-party beneficiaries of the provisions of this Agreement, including the mediation provision set forth in this Section 17.F, each having authority to specifically enforce the right to mediate/litigate claims asserted against such person(s) by you.

G. CHOICE OF LAW.

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, this Agreement shall be interpreted under the laws of the State of Oklahoma, and any dispute between the parties shall be governed by and determined in accordance with the substantive laws of the State of Oklahoma, which laws shall prevail in the event of any conflict of law.

H. WAIVER OF PUNITIVE DAMAGES, JURY TRIAL AND CLASS ACTIONS.

You hereby waive to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) against us arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, that your recovery is limited to actual damages. You hereby waive to the fullest extent permitted by law, any right to or claim for a jury trial in any venue or forum. You hereby waive to the fullest extent permitted by law, any right to bring claims in a representative, aggregate, derivative, mass, class action, or consolidated capacity or basis in any venue or forum. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages, demand a jury trial, or to bring claims in a representative or aggregate capacity.

THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER WILL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR YOUR PURCHASE FROM US OF THE FRANCHISE AND/OR ANY GOODS OR SERVICES. THE PARTIES AGREE THAT ALL PROCEEDINGS ARISING

OUT OF OR RELATED TO THIS AGREEMENT, OR THE SALE OF THE MOLDMAN FRANCHISE, WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE OR AGGREGATE BASIS, AND THAT ANY PROCEEDING BETWEEN YOU, YOUR OWNERS AND US OR OUR AFFILIATES/OFFICERS/EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN US AND ANY OTHER THIRD PARTY.

I. BINDING EFFECT.

This Agreement is binding upon us and you and will inure to the benefit of the parties identified in the Agreement and their respective executors, administrators, heirs, assigns, and successors in interest and may not be modified, except by a written agreement signed by you and us.

J. LIMITATIONS OF CLAIMS.

Except for claims arising from your non-payment or underpayment of amounts you owe us under this Agreement, any and all claims arising out of or relating to this Agreement or our relationship with you will be barred unless proceedings in accordance with Section 17.F are commenced within one (1) year from the date on which the party asserting the claim knew or should have known of the facts giving rise to the claim. You hereby waive the right to obtain any remedy based on alleged fraud, misrepresentation, or deceit by us, including, without limitation, rescission of this Agreement, in any mediation, judicial, or other adjudicatory proceeding arising hereunder, except upon a ground expressly provided in this Agreement, or pursuant to any right expressly granted by any applicable statute expressly regulating the sale of franchises, or any regulation or rules promulgated thereunder.

K. CONSTRUCTION AND INTEGRATION.

This Agreement and all exhibits to this Agreement constitute the entire agreement between the parties and supersede any and all prior negotiations, understandings, representations or inducements, and agreements. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you. You acknowledge that you are entering into this Agreement as a result of your own independent investigation of our MOLDMAN Franchise and the System and not as a result of any representations about us made by our shareholders, officers, directors, employees, agents, representatives, independent contractors, or franchisees that are contrary to the terms set forth in this Agreement, or in any disclosure document, prospectus, or other similar document required or permitted to be given to you pursuant to applicable law.

You agree that no modifications of this Agreement (except those specifically authorized herein) shall be effective except those in writing and signed by both parties. You acknowledge that you have not received any express or implied representations or warranties regarding the sales, earnings, income, profits, gross revenues, business or financial success, or value of the franchise provided by us or our representatives or any other matters pertaining to the franchise from us or any of our officers, employees or agents that were not contained in this Agreement or the Franchise Disclosure Document received by you (hereinafter "Representations"). You further acknowledge that if you had received any such Representations, you would not have executed this Agreement, and you would have: (a) promptly notified us in writing of the person or persons making such Representations; and (b) provided to us a specific written statement detailing the Representations made. You acknowledge that we justifiably have relied on your representations made before the execution of this Agreement. Nothing in this Agreement is intended, nor is deemed, to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right, in our sole discretion, to refuse any request you make or to withhold our approval of any of your proposed initiated or effected actions that require our approval.

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

References in this Agreement to "we," "us," and "our," with respect to all of our rights and all of your

obligations to us under this Agreement, will be deemed to include any of our affiliates with whom you deal. The term "affiliate," as used in this Agreement with respect to you or us, means any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling you or us. For purposes of this definition, "control" means the power to direct or cause the direction of management and policies.

If two (2) or more persons are the franchisee under this Agreement, their obligation and liability to us will be joint and several.

This Agreement may be signed in multiple counterparts, each of which will be deemed an original.

L. COMPLIANCE WITH OTHER LAWS.

You must comply with all national, state, and local laws and regulations that apply. You are solely responsible for investigating and complying with these laws.

M. WAIVERS.

We will not be deemed to have waived our right to demand exact compliance with any of the terms of this Agreement, even if at any time: (a) we do not exercise a right or power available to us under this Agreement; (b) we do not insist on your strict compliance with the terms of this Agreement; (c) there develops a custom or practice which is at variance with the terms of this Agreement; or (d) we do not demand payments which are otherwise due to us under this Agreement. Similarly, our waiver of any particular breach or series of breaches under this Agreement or of any similar term in any other agreement between you and us or between us and any other franchise owner, will not affect our rights with respect to any later breach by you or anyone else.

N. EFFECTIVE DATE AND LOCATION OF AGREEMENT.

This Agreement shall not be effective until accepted by us as evidenced by dating and signing by an officer of us and the place of execution of this Agreement shall be the State of Oklahoma.

O. DAYS.

Unless otherwise specifically stated in this Agreement, the term "days" shall refer to calendar days.

P. ADDITIONAL DOCUMENTATION.

You must from time to time, subsequent to the date first set forth above, at our request and without further consideration, execute and deliver such other documentation or agreements and take such other action as we reasonably may require in order to effectuate the transactions contemplated herein. In the event that you fail to comply with the provisions of this Section, you hereby appoint us as your attorney-in-fact to execute any and all documents or agreements on your behalf that are reasonably necessary to effectuate the transactions contemplated herein.

Q. FORCE MAJEURE.

Neither you nor us or our affiliates will be liable for loss or damage or deemed to be in breach of this Agreement or any related agreement if that party's failure to perform its obligations is not the fault nor within the reasonable control of that person due to perform but results from, without limitation, fire, flood, natural disasters, acts of God, governmental acts or orders, pandemics or civil disorders. Any delay resulting from any such cause will extend the time of performance for the period of such delay or for such other reasonable period of time as the parties agree in writing or will excuse performance, in whole or in part, as we deem reasonable.

R. ANTI-TERRORIST ACTIVITIES.

You certify that neither you, nor your owners, principals, employees or anyone associated with you

are listed in the Annex to Executive Order 13224 (the "Annex"). You agree not to hire or have any dealings with a person listed in the Annex. You certify that you have no knowledge or information that, if generally known, would result in you, your owners, principals, employees, or anyone associated with you being listed in the Annex. You agree to comply with and/or assist us to the fullest extent possible in our efforts to comply with the Anti-Terrorism Laws (as defined below). In connection with such compliance, you certify, represent, and warrant that none of your property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that you and your owners or principals are not otherwise in violation of any of the Anti-Terrorism Laws. You are solely responsible for ascertaining what actions must be taken by you to comply with all such Anti-Terrorism Laws, and you specifically acknowledge and agree that your indemnification responsibilities as provided in Section 16.C of this Agreement pertain to your obligations under this Section. Any misrepresentation by you under this Section or any violation of the Anti-Terrorism Laws by you, your owners, principals or employees will constitute grounds for immediate termination, upon notice, of this Agreement and any other agreement you have entered into with us or one (1) of our affiliates in accordance with the terms of Section 14 of this Agreement. As used herein, "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies lists and any other requirements of any Governmental Authority (including without limitation, the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

S. OUT OF STOCK AND DISCONTINUED.

We are not liable to you for any loss or damage, or deemed to be in breach of this Agreement, if we cannot deliver, or cause to be delivered, or if our designated sources or approved suppliers cannot deliver, all of your orders for ancillary goods, merchandise, equipment, supplies, etc., where such things are out-of-stock or discontinued.

T. PERSONAL GUARANTY.

You will ensure that each and every Owner (if Franchisee is an entity) will execute in their own name and comply with the Guaranty and Assumption of Franchisee's Obligations attached as Exhibit G hereto, or as we, in our sole discretion, otherwise prescribe. Owner(s) must provide us with a copy of each executed agreement.

U. ELECTRONIC DELIVERY AND ELECTRONIC SIGNATURES.

The parties agree that this Agreement (and its Exhibits) may be delivered to you electronically and may be signed by you electronically. The parties agree that the electronic signatures appearing on this Agreement (and its Exhibits) are the same as handwritten signatures for the purpose of validity, enforceability, and admissibility.

18. NOTICES AND PAYMENTS.

Any notice, report, payment, or other communication that is required to be delivered by the provisions of this Agreement, will be in writing and will be deemed to be delivered:

1. at the time of hand delivery;
2. at the time delivered via computer transmission (electronically verified and absent a notice of non- delivery) and, in the case of Royalty and other due fees, at the time we actually debit your account;
3. one (1) business day after transmission by email, fax, or other electronic system;
4. one (1) business day after being placed in the hands of a commercial courier service for next business day delivery; or

5. five (5) business days after placement in the United States mail by registered or certified mail, return receipt requested, postage prepaid.

All communications are to be addressed to the party to be notified at its most current principal business address. Both you and we agree to immediately notify the other of any change in address. Any required payment or report that we do not actually receive during regular business hours on the date due will be deemed delinquent.

19. YOUR AFFIRMATIONS.

In granting this MOLDMAN Franchise, we are relying upon your statements below, as well as those acknowledgments contained in Exhibit E- Disclosure Acknowledgement Questionnaire, attached hereto, as affirmed by your initials to the left of each such statements below, that:

_____The Managing Owner or, if applicable, the Designated General Manager, shall devote his/her full- time best efforts to the development and management of your Franchise. At least one Managing Owner or, if applicable, Designated General Manager will operate the MOLDMAN Franchise on a full-time basis.

_____Managing Owner or Designated General Manager will operate the MOLDMAN Franchise on a full- time basis.

_____We have not made, nor have you relied on, any representation as to the past or future sales, volume or potential profitability, earnings or income of the MOLDMAN Franchise, or any other MOLDMAN Franchise, other than the information provided in our franchise disclosure document.

_____You have had the opportunity, and have been encouraged by us, to independently investigate and analyze both the MOLDMAN franchise opportunity and the terms and provisions of this Agreement by contacting any and all of our franchise owners and by utilizing the services of attorneys, accountants, or other advisors as you deem to be necessary.

_____You are not relying on any representation or statement that we have made, regarding the anticipated income, earnings and growth of MOLDMAN, the System, or the viability of the MOLDMAN franchise opportunity.

_____Like any other business, the nature of the business conducted by MOLDMAN Franchises may, and probably will, evolve over time.

Your abilities and efforts are vital to the success of the MOLDMAN Franchise.

_____Continually securing new Customers is necessary to the MOLDMAN Franchise and requires you to make consistent and repeated marketing and advertising efforts through a variety of mediums.

_____We have certain rights reserved to us to own and operate MOLDMAN Franchises, to franchise or franchise others to operate MOLDMAN Franchises, and to otherwise use the System, Marks, know-how, techniques, and procedures, including (without limitation) those expressly set forth in this Agreement.

_____We may sell our assets, Marks, or the System, outright 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; may undertake a re- financing, re-capitalization, leverage buyout or other economic or financial restructuring; and with regard to any or all of the above sales, assignments, and dispositions, you expressly agree to provide reasonable closing certificates and other documentation as reasonably requested by us to conclude the transaction, and specifically waive any claims, demands, or damages arising from or related to the loss of said Marks (or any variations of them) and/or the loss of association with or identification of MOLDMAN Franchisor, LLC, as the franchisor of this Agreement.

_____The covenants not to compete set forth in this Agreement are fair and reasonable, and will not impose any undue hardship on you, since you have other considerable skills, experience, and education which will afford you the opportunity to derive income from other endeavors.

_____All information that you have set forth in any and all applications, financial statements, and submissions to us is true, complete, and accurate in all respects, and you expressly acknowledge that we are relying upon the truthfulness, completeness, and accuracy of this information.

20. REPRESENTATIONS.

NO SALESPERSON, REPRESENTATIVE OR OTHER PERSON HAS THE AUTHORITY TO BIND OR OBLIGATE US EXCEPT OUR AUTHORIZED OFFICER BY A WRITTEN DOCUMENT. YOU ACKNOWLEDGE THAT NO REPRESENTATIONS, PROMISES, INDUCEMENTS, GUARANTEES OR WARRANTIES OF ANY KIND WERE MADE BY US OR ON OUR BEHALF THAT HAVE LED YOU TO ENTER INTO THIS AGREEMENT. YOU UNDERSTAND THAT WHETHER YOU SUCCEED AS A FRANCHISEE IS DEPENDENT UPON YOUR EFFORTS, BUSINESS JUDGMENTS, THE PERFORMANCE OF YOUR EMPLOYEES, MARKET CONDITIONS AND VARIABLE FACTORS BEYOND OUR CONTROL OR INFLUENCE. YOU FURTHER UNDERSTAND THAT SOME FRANCHISEES ARE MORE OR LESS SUCCESSFUL THAN OTHER FRANCHISEES AND THAT WE HAVE MADE NO REPRESENTATION THAT YOU WILL DO AS WELL AS ANY OTHER FRANCHISEE.

THE UNDERSIGNED ACKNOWLEDGES RECEIPT OF THIS AGREEMENT, WITH ALL BLANKS COMPLETED AND WITH ANY AMENDMENTS AND EXHIBITS, AT LEAST SEVEN (7) CALENDAR DAYS PRIOR TO EXECUTION OF THIS AGREEMENT. IN ADDITION, THE UNDERSIGNED ACKNOWLEDGES RECEIPT OF OUR FRANCHISE DISCLOSURE DOCUMENT AT LEAST 14 CALENDAR DAYS PRIOR TO THE EXECUTION OF THIS AGREEMENT OR YOUR PAYMENT OF ANY MONIES TO US, REFUNDABLE OR OTHERWISE.

YOU ACKNOWLEDGE THAT WE HAVE RECOMMENDED, AND THAT YOU HAVE HAD THE OPPORTUNITY TO OBTAIN, REVIEW THIS AGREEMENT AND OUR FRANCHISE DISCLOSURE DOCUMENT BY YOUR LAWYER, ACCOUNTANT OR OTHER BUSINESS ADVISOR PRIOR TO EXECUTION HEREOF.

EACH OF THE UNDERSIGNED PARTIES WARRANTS THAT IT HAS THE FULL AUTHORITY TO SIGN AND EXECUTE THIS AGREEMENT. IF YOU ARE A PARTNERSHIP, CORPORATION, OR LIMITED LIABILITY COMPANY, THE PERSON EXECUTING THIS AGREEMENT ON BEHALF OF SUCH PARTNERSHIP, CORPORATION, OR LIMITED LIABILITY COMPANY WARRANTS TO US, BOTH INDIVIDUALLY AND IN HIS CAPACITY AS PARTNER, OFFICER, OR MANAGER/MEMBER THAT ALL OF THE PARTNERS OF THE PARTNERSHIP, ALL OF THE SHAREHOLDERS OF THE CORPORATION, OR ALL OF THE MANAGERS/MEMBERS OF THE LIMITED LIABILITY COMPANY, AS APPLICABLE, HAVE READ AND APPROVED THIS AGREEMENT, INCLUDING ANY RESTRICTIONS WHICH THIS AGREEMENT PLACES UPON RIGHTS TO TRANSFER THEIR INTEREST IN THE PARTNERSHIP, CORPORATION, OR LIMITED LIABILITY COMPANY.

IN WITNESS WHEREOF, the parties hereto have signed and delivered this Agreement on the date stated on the first page hereof.

FRANCHISOR

FRANCHISEE

MOLDMAN FRANCHISOR, LLC

[FRANCHISEE ENTITY]

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

**EXHIBIT A
MOLDMAN FRANCHISE AGREEMENT**

PROSPECT POOL AGREEMENT

The "Office Location" referred to in Section 2.B. of the Franchise Agreement is:

The "Prospect Pool" referred to in Section 2.B. of the Franchise Agreement is:

PROSPECT POOL

Your Prospect Pool is NOT an exclusive territory. Inside the Prospect Pool, we will not allow another MOLDMAN Office Location other than your own. However, (a) you are free to service customers inside or outside the Prospect Pool and anywhere you want across the country and (b) other MOLDMAN franchisees and company-owned locations may do the same, including servicing customers within your Prospect Pool.

The "Managing Owner" referred to in Section 2.A of the Franchise Agreement will be the following person:

Managing
Owner

The "Designated General Manager" referred to in Section 2.A of the Franchise Agreement will be the following person (if there is no Designated General Manager, please write "none"):

General Manager

I HAVE READ THE ABOVE PROSPECT POOL AGREEMENT AND AGREE TO BE BOUND BY ITS TERMS.

FRANCHISOR

FRANCHISEE

MOLDMAN FRANCHISOR, LLC

[FRANCHISEE ENTITY]

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

EXHIBIT B
MOLDMAN FRANCHISE AGREEMENT
STARTER KIT

Moldman Starter Kit
Mold air test machine
Air test cartridges
Surface test slides
Small inspection equipment
Air scrubbers
Hepa Vac
Zip Wall
Remediation tools
Remediation supplies
Remediation chemicals
Safety equipment

A full listing of the equipment included in the packages will be provided in your Operations Manual.

EXHIBIT C
MOLDMAN FRANCHISE AGREEMENT
STATE ADDENDA TO THE FRANCHISE AGREEMENT

ADDENDUM TO THE FRANCHISE AGREEMENT FOR USE IN ILLINOIS

This is an Addendum to the Franchise Agreement between MOLDMAN FRANCHISOR, LLC, a Oklahoma Limited Liability Company, with its principal place of business at 2607 W. 25th Street, Chicago, IL 60608 (referred to in this Agreement as "we," "us," and "ourselves"), and _____, (referred to as "you" and "Managing Owner"), residents of the State of Illinois, and _____, an Illinois company to be formed or already existing, whose principal address is _____ (referred to in this Agreement as "you," "your" or "Franchisee").

Notwithstanding anything to the contrary in the Franchise Agreement, in the event of a conflict between the terms of this Addendum and the terms of the Franchise Agreement, the terms of this Addendum shall control and supersede the Franchise Agreement. Any terms not defined herein shall have the same meanings as in the Franchise Agreement and any references to sections and paragraphs refer to the sections and paragraphs of the Franchise Agreement unless stated otherwise.

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, (Ill. Comp. Stat. §§ 705/1 to 705/44), the parties to the MOLDMAN Franchise Agreement (the "Agreement") agree as follows:

1. Background

We are both parties to that certain Agreement dated _____ that has been executed concurrently with the execution of this Addendum. This Addendum is annexed to and forms part of the Agreement. This Addendum is being executed because (a) the offer or sale of the franchise you will operate under the Agreement was made in the State of Illinois and you will operate the Franchise in the State of Illinois and/or (b) you are a resident of the State of Illinois.

2. Dispute Resolution Procedures

The following is added to Section 17.F. entitled "Dispute Resolution Procedures":

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

3. Choice of Law

Section 17.G. entitled "Choice of Law" is superseded and replaced by the following: Except to the extent governed the United States Trademark Act of 1946 or Federal Law, this Agreement, the Franchise and all claims arising from the relationship between us and you will be governed by the Illinois Franchise Disclosure Act and the laws of the State of Illinois.

4. Limitation of Claims

The following is added to the first sentence of Section 17.J. of the Agreement, entitled "Limitations of Claims":

Except for claims arising under the Illinois Franchise Disclosure Act, and except for claims arising from your non-payment or underpayment of amounts you owe us under this Agreement, any and all claims arising out of or relating to this Agreement or our relationship with you will be barred unless proceedings in accordance with Section 17.F are commenced within one (1) year from the date on which the party asserting the claim knew or should have known of the facts giving rise to the claim.

5. Termination and Non-Renewal

Your rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

6. Waivers

The following language is added to Section 17.M. of the Agreement:

Section 41 of the Illinois Franchise Disclosure Act states that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act, or any law of the State of Illinois is void.

7. Deferral of Franchise Fee

Payment of Initial Franchise/Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

8. Questionnaires

No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

FRANCHISOR

FRANCHISEE

MOLDMAN FRANCHISOR, LLC

[FRANCHISEE ENTITY NAME]

By:

By:

Name:

Name:

Title:

Title:

Date:

Date:

**EXHIBIT D
MOLDMAN FRANCHISE AGREEMENT**

CONFIDENTIALITY/NON-DISCLOSURE AGREEMENT

With respect to determining the feasibility of whether or not to purchase a MOLDMAN franchise, MOLDMAN FRANCHISOR, LLC, is prepared to provide you with certain financial, business, marketing, and operational information concerning the business operations of MOLDMAN FRANCHISOR, LLC.

We are able to provide you this Information with your explicit understanding and agreement that you recognize and agree that this information is confidential and valuable, and that this information constitutes special and unique proprietary rights and assets of MOLDMAN FRANCHISOR, LLC.

The term "Confidential Information" shall mean and include any and all information disclosed by us to you relating to the MOLDMAN business and potential trade name and internet web names, whether copyrighted or patented. Provided; however, Confidential Information shall not include information which:

- A. Is disclosed to you following the date of this Agreement by a third party who is not under an obligation to keep the information confidential;
- B. Is or becomes publicly disclosed through no act or omission of yours; and/or
- C. Information previously known by you prior to contact with MOLDMAN.

In accepting this Information, you agree that you will not disclose it to any third party or make use of it yourself, in any regard, with the exception that it may disclosed to an attorney, accountant or business consultant that you utilize as part of your due diligence process, provided you assure they are informed of and comply with all the terms of this Confidentiality and Non-Disclosure Agreement.

You further agree to maintain the confidentiality of any and all confidential information which has been provided to you in a manner using at least the same degree of care as the manner a reasonable person of business would use to maintain the confidentiality of their most confidential information.

In the event that you do not purchase a MOLDMAN business, or upon our request at any time, you agree to return all materials furnished to you or to certify in writing that such information has been destroyed

You further recognize that breach of this Confidentiality and Non-Disclosure Agreement by you will cause severe and irreparable damage to MOLDMAN FRANCHISOR, LLC, and that MOLDMAN FRANCHISOR, LLC, may pursue all of its rights and remedies after any breach, including specific performance.

Please indicate that you agree to the conditions, as stated above, under which confidential information will be furnished to you by signing your name in the space provided below.

ACKNOWLEDGED:

By: _____

Date: _____

Signature: _____

EXHIBIT E
MOLDMAN FRANCHISE AGREEMENT
DISCLOSURE ACKNOWLEDGEMENT QUESTIONNAIRE

To be completed by each signatory to the Franchise Agreement.

As you know, MOLDMAN FRANCHISOR, LLC ("we", "us"), and you are preparing to enter into a Franchise Agreement for the right to open and operate one (1) franchise (a "Franchised Business"). **You cannot sign or date this Questionnaire the same day as the Receipt for the Franchise Disclosure Document but you must sign and date it the same day you sign the Franchise Agreement, and pay us the Initial Fee and Starter Kit Fee.** Please review each of the following questions carefully and provide honest responses to each question. If you answer "No" to any of the questions below, please explain your answer in the space provided below. If you did not answer "No" to any of the questions below, please fill in "N/A" or "None" in the space provided below.

1. Have you received the Franchise Agreement, as well as each exhibit or schedule attached to the agreement that you intend to enter into with us?
Yes ____ No ____
2. Have you received the Franchise Disclosure Document we provided?
Yes ____ No ____
3. Did you sign a receipt for the Disclosure Document indicating the date you received it?
Yes ____ No ____
4. Have you reviewed the Disclosure Document and Franchise Agreement with a lawyer, accountant or other professional advisor and discussed operating the Franchised Business with these professional advisor(s)?
Yes ____ No ____
5. Do you understand the success or failure of your Franchised Business will depend on a variety of factors, including your skills, abilities and efforts and those of the persons you employ, as well as many factors beyond your control such as demographics of your Prospect Pool, competition, interest rates, the economy, inflation, labor and supply costs, lease terms and the marketplace?
Yes ____ No ____
6. Has any broker, employee or other person speaking on our behalf explained to you that we have only granted you certain, limited territorial rights under the Franchise Agreement, and that we have reserved certain rights under the Franchise Agreement?
Yes ____ No ____
7. Has any broker, employee or other person speaking on our behalf explained to you that we and our affiliates retain the exclusive unrestricted right to engage, directly or through others, in the providing of services under the MOLDMAN Marks or any other mark at any location under the Franchise Agreement without regard to the proximity of these activities to the premises of your Franchised Business?
Yes ____ No ____
8. Has any broker, employee or other person speaking on our behalf explained to you that all disputes or claims you may have arising out of or relating to the Franchise Agreement must be mediated, at our option, and submitted to binding arbitration in Tulsa, Oklahoma?
Yes ____ No ____

9. Has any broker, employee or other person speaking on our behalf explained to you that the Franchise Agreement provides that you can only collect compensatory damages on any claim under or relating to the Franchise Agreement and are not entitled to any punitive, consequential or other special damages?
Yes ____ No ____
10. Has any broker, employee or other person speaking on our behalf explained to you that the sole entity or person against whom you may bring a claim under the Franchise Agreement is us?
Yes ____ No ____
11. Has any broker, employee or other person speaking on our behalf explained to you that the Franchisee (or one of its principals if Franchisee is an organization) must successfully complete the appropriate initial training program(s) before we will allow the Franchised Business to open or consent to a transfer of that Franchised Business?
Yes ____ No ____
12. Has any broker, employee or other person speaking on our behalf explained to you that we require you to successfully complete certain initial training program(s) and if you do not successfully complete the applicable training program(s) to our satisfaction, we may terminate your Franchise Agreement?
Yes ____ No ____
13. Has any broker, employee or other person speaking on our behalf explained to you that we do not have to sell you a franchise or additional franchises or consent to your purchase of existing franchises?
Yes ____ No ____
14. Has any broker, employee or other person speaking on our behalf explained to you that we will send written notices, as required by your Franchise Agreement to either your Franchised Business or home address until you designate a different address by sending written notice to us?
Yes ____ No ____
15. Has any broker, employee or other person speaking on our behalf explained to you that we will not approve your purchase of a franchise, or we may immediately terminate your Franchise Agreement, if we are prohibited from doing business with you under any anti-terrorism law enacted by the United States Government?
Yes ____ No ____
16. Has any broker, employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a Franchised Business that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document?
Yes ____ No ____
17. Has any broker, employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a Franchised Business will generate, that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document?
Yes ____ No ____

18. Has any broker, employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement concerning advertising, marketing, media support, marketing penetration, training, support service or assistance that is contrary to, or different from, the information contained in the Disclosure Document?

Yes ____ No ____

19. Has any broker, employee or other person providing services to you on our behalf has solicited or accepted any loan, gratuity, bribe, gift or any other payment in money, property or services from you in connection with a Franchised Business purchase with exception of those payments or loans provided in the Disclosure Document?

Yes ____ No ____

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

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

Signature of Franchise Applicant

Signature of Franchise Applicant

Name (please print)

Name (please print)

Dated:_____

Dated:_____

Signature of Franchise Applicant

Signature of Franchise Applicant

Name (please print)

Name (please print)

Dated:_____

Dated:_____

GIVE A COMPLETE EXPLANATION OF ANY RESPONSES ON THIS PAGE (PLEASE REFER TO QUESTION NUMBER).

EXHIBIT F
MOLDMAN FRANCHISE AGREEMENT

GENERAL RELEASE FORM

THIS SETTLEMENT AND RELEASE is being made by and between MOLDMAN FRANCHISOR, LLC ("Franchisor"), and [Name] (together referred to as the "FRANCHISE OWNER" and/or "you") resident of [State], and [Corp/LLC,] ("Franchisee") and shall be effective as of the date of the last signature below. Whereas, the parties hereto, in exchange for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, and in reliance upon the representations, warranties, and comments herein are set forth, do agree as follows:

1. Release by Franchisee:

Franchisee does for itself, its successors and assigns, hereby release and forever discharge generally the Franchisor and any affiliate, wholly owned or controlled corporation, subsidiary, successor or assign thereof and any shareholder, officer, director, employee, or agent of any of them, from any and all claims, demands, damages, injuries, agreements and contracts, indebtedness, accounts of every kind or nature, whether presently known or unknown, suspected or unsuspected, disclosed or undisclosed, actual or potential, which Franchisee may now have, or may hereafter claim to have or to have acquired against them of whatever source or origin, arising out of or related to any and all transactions of any kind or character at any time prior to and including the date hereof, including generally any and all claims at law or in equity, those arising under the common law or state or federal statutes, rules or regulations such as, by way of example only, franchising, securities and anti-trust statutes, rules or regulations, in any way arising out of or connected with the Agreement, and further promises never from this day forward, directly or indirectly, to institute, prosecute, commence, join in, or generally attempt to assert or maintain any action thereon against the Franchisor, any affiliate, successor, assign, parent corporation, subsidiary, director, officer, shareholder, employee, agent, executor, administrator, estate, trustee or heir, in any court or tribunal of the United States of America, any state thereof, or any other jurisdiction for any matter or claim arising before execution of this Agreement. In the event Franchisee breaches any of the promises covenants, or undertakings made herein by any act or omission, Franchisee shall pay, by way of indemnification, all costs and expenses of the Franchisor caused by the act or omission, including reasonable attorneys' fees.

2. Franchisee hereto represents and warrants that no portion of any claim, right, demand, obligation, debt, guarantee, or cause of action released hereby has been assigned or transferred by Franchisee party to any other party, firm or entity in any manner including, but not limited to, assignment or transfer by subrogation or by operation of law. In the event that any claim, demand or suit shall be made or institute against any released party because of any such purported assignment, transfer or subrogation, the assigning or transferring party agrees to indemnify and hold such released party free and harmless from and against any such claim, demand or suit, including reasonable costs and attorneys' fees incurred in connection therewith. It is further agreed that this indemnification and hold harmless agreement shall not require payment to such claimant as a condition precedent to recovery under this paragraph.

3. Each party acknowledges and warrants that his, her or its execution of this Agreement is free and voluntary.

4. Oklahoma law shall govern the validity and interpretation of this Agreement, as well as the performance due thereunder. This Agreement is binding upon and inures to the benefit of the respective assigns, successors, heirs and legal representatives of the parties hereto.

5. In the event that any action is filed to interpret any provision of this Agreement, or to enforce any of the terms thereof, the prevailing party shall be entitled to its reasonable attorneys' fees and costs incurred therein, and said action must be filed in the State of Oklahoma.

6. This Agreement may be signed in counterparts, each of which shall be binding against the party executing it and considered as the original.

7. This parties agree that this Agreement may be delivered to you electronically and may be signed by you electronically. The parties agree that the electronic signatures appearing on this Agreement are the same as handwritten signatures for the purpose of validity, enforceability, and admissibility.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have executed this agreement effective as of the date below.

FRANCHISOR

MOLDMAN FRANCHISOR, LLC

By:

Name:

Title:

FRANCHISEE

[FRANCHISEE ENTITY/NAME]

By:

Name:

Title:

FRANCHISE OWNER(S)

[Name of Owner], Individually

EXHIBIT G
MOLDMAN FRANCHISE AGREEMENT

PERSONAL GUARANTY

NOTE: IF FRANCHISEE IS A CORPORATION, EACH OF FRANCHISEE'S SHAREHOLDERS MUST EXECUTE THE FOLLOWING UNDERTAKING. IF FRANCHISEE IS A PARTNERSHIP, EACH OF FRANCHISEE'S GENERAL PARTNERS MUST EXECUTE THE FOLLOWING UNDERTAKING. IF FRANCHISEE IS A LIMITED LIABILITY COMPANY, EACH OF FRANCHISEE'S MEMBERS AND MANAGERS MUST EXECUTE THE FOLLOWING UNDERTAKING.

ARTICLE 1
PERSONAL GUARANTY

The undersigned persons (individually and collectively "you") hereby represent to MOLDMAN FRANCHISOR, LLC ("Franchisor") that you are all of the shareholders of, or all of the general partners of, or all of the members and managers of _____ ("Franchisee"), as the case may be. In consideration of the grant by Franchisor to the Franchisee under the Franchise Agreement, each of you hereby agree, in consideration of benefits received and to be received by each of you, jointly and severally, and for yourselves, your heirs, legal representatives and assigns, to be firmly bound by all of the terms, provisions and conditions of the Franchise Agreement, and any other agreement between Franchisee and Franchisor and/or its affiliates, and do hereby unconditionally guarantee the full and timely performance by Franchisee of each and every obligation of Franchisee under the aforesaid Franchise Agreement or other agreement between Franchisor and Franchisee, including, without limitation, any indebtedness of Franchisee arising under or by virtue of the Franchise Agreement and that you (jointly and individually) will not permit or cause any change in the percentage of the Franchisee owned, directly or indirectly, by any person, without first obtaining the written consent of Franchisor prior to said proposed transfer, which consent must not be unreasonably withheld, and without first paying or causing to be paid to Franchisor the transfer fee provided for in said Franchise Agreement, if applicable, and without otherwise complying with the transfer provisions of the Franchise Agreement. You further agree to be bound by the in-term and post-term covenants against competition of the aforesaid Franchise Agreement.

ARTICLE 2
CONFIDENTIALITY

During the term of this Agreement, you will receive information which Franchisor considers a trade secret and confidential information ("Confidential Information"). You will not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any Confidential Information including, without limitation, operating procedures, customer lists, sources of supply, supplier contracts, advertising materials, copyrighted materials, equipment specifications, any information contained in the Operations Manual, trade secrets, copyrighted materials, and other methods, techniques and know-how concerning the operation of the Business which may be communicated to you or of which you may be apprised by virtue of your relationship with Franchisee and role as a Guarantor of the Franchise Agreement.

ARTICLE 3
NON-COMPETITION

1) During the Term of the Franchise Agreement.

During the term of the Franchise Agreement, you shall not:

- a. Engage as an owner, partner, shareholder, director, officer, employee, consultant, agent, or in any other capacity in any other business offering the Approved Services as defined in Section I.A. of the Franchise Agreement, or other products or services that are the same as or similar to the services

sold by the MOLDMAN Business (except for other franchises or authorizations we enter into with you);

- b. Use our Confidential Information, System, MOLDMAN's owners' intranet website, Operations Manual, Marks, Customer lists, Customer Information, trade secrets, trade dress, proprietary knowledge, or know-how, or any colorable imitations, in the design, development, or operation of any business other than the MOLDMAN Business franchised hereunder, unless specifically authorized by us; or
- c. Divert or attempt to divert any business or customer of the MOLDMAN Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated the Marks or the System.

2) After the Term of the Franchise Agreement.

For a period of 24 months from the time of expiration or termination of the Franchise Agreement, you and your owners and, if applicable, your Designated General Manager, shall not: (a) engage as an owner, shareholder, partner, director, officer, employee, consultant, salesperson, representative, or agent or in any other capacity in any Approved Services (b) employ or seek to employ any person who is at that time employed by us, our affiliates or any other MOLDMAN franchisee, or otherwise directly or indirectly induce or seek to induce such person to leave his or her employment thereat, (c) solicit business from Customers of your former MOLDMAN Business or contact any of our supplies or vendors for any competitive business purpose, or (d) divert or attempt to divert any business or Customer of the MOLDMAN Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System or engage in any business relationship with any contacts with Customers or former Customers of the MOLDMAN Business, whether respect to collection of accounts receivable, or to provide them services, or for any other purpose whatever, within:

- a. The Prospect Pool defined in the Franchise Agreement;
- b. The geographic area encompassed by the Prospect Pools of any MOLDMAN franchisees, Company Stores, or any other MOLDMAN business operator, as of the date of the termination or expiration of the Franchise Agreement; or
- c. A geographic area that is contained in a circle having a radius of 100 miles outward from the outside boundary of the geographic area consisting of your Prospect Pool as defined in the Franchise Agreement.

3) Intent and Enforcement.

It is the parties' intent that the provisions of this Article 3 be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained herein will not render any other part unenforceable. In the event of the actual or threatened breach of this Article 3 by you, any of your principals, or any members of their immediate family, Franchisor will be entitled to an injunction restraining such person from any such actual or threatened breach. You agree that in the event of the actual or threatened breach of this Article 3, Franchisor's harm will be irreparable and that Franchisor has no adequate remedy at law to prevent such harm. You acknowledge and agree that each of you has previously worked or been gainfully employed in other careers and that the provisions of this Article 3 in no way prevent you from earning a living. You further acknowledge and agree that the time limitation of this Article 3 will be tolled during any default under this Personal Guaranty.

**ARTICLE 4
DISPUTE RESOLUTION**

1) Acknowledgment.

You acknowledge that this Personal Guaranty is not a franchise agreement and does not confer upon you any rights to use the Franchisor's Proprietary Marks or its System.

2) Governing Law.

This Personal Guaranty will be deemed to have been made in and governed by the laws of the State of Oklahoma (without reference to its conflict of laws principals).

3) Internal Dispute Resolution.

You must first bring any claim or dispute arising out of or relating to the Franchise Agreement or this Personal Guaranty to Franchisor. You agree to exhaust this internal dispute resolution procedure before bringing any dispute before a third party. This agreement to engage in internal dispute resolution first will survive the termination or expiration of this Agreement.

4) Mediation.

At Franchisor's option, all claims or disputes between you and Franchisor arising out of, or in any way relating to, this Personal Guaranty or the Franchise Agreement or any other agreement by and between you and the Franchisor, or any of the parties' respective rights and obligations arising from such agreements, or the operation of the MOLDMAN Business, which are not first resolved through the internal dispute resolution procedure set forth above, must be submitted first to non-binding mediation, in Tulsa, Oklahoma using a mediator selected by the parties.

Before commencing any legal action against Franchisor or its affiliates with respect to any such claim or dispute, you must submit a notice to Franchisor, which specifies, in detail, the precise nature and grounds of such claim or dispute. Franchisor will have a period of 30 days following receipt of such notice within which to notify you as to whether Franchisor or its affiliates elects to exercise its option to submit such claim or dispute to mediation. You may not commence any action against Franchisor or its affiliates with respect to any such claim or dispute in any court unless Franchisor fails to exercise its option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by Franchisor. Franchisor's rights to mediation, as set forth herein, may be specifically enforced by Franchisor. Each party will bear its own costs and attorney fees and the parties will share costs paid to the mediator equally. This agreement to mediate at our option will survive the termination or expiration of the Franchise Agreement.

A) The parties will not be required to first attempt to mediate a controversy, dispute, or claim through mediation as set forth in this Section 4 if such controversy, dispute, or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating):

1) Any federally protected intellectual property rights in the Marks, the System, or in any Confidential Information;

2) Any claims arising out of or pertaining to any warranty issued; or

3) Any of the restrictive covenants contained in this agreement.

5) Arbitration.

If the parties are unable to resolve any dispute by negotiation and/or mediation, then all issues encompassed by such dispute and concerning any matter between the parties, shall be submitted to arbitration, to the extent arbitration is not prohibited by law at the time such dispute arises, using an arbitrator selected by the parties in Tulsa,

Oklahoma, and the award rendered by the arbitrator shall be final, non-appealable and binding as between the parties. Judgment of such award may be entered in any court having jurisdiction thereof. The following shall apply to any arbitration:

a) A single neutral arbitrator shall be appointed by the parties.

b) Notice of a demand for arbitration of any dispute subject to arbitration by one party shall be delivered in writing to the other party. The parties agree that after any such notice has been filed, they shall, within ninety (90) days, make discovery and disclosure of all matters relevant to such dispute, to the extent and in the manner provided by the arbitrator.

c) Arbitration shall take place in Tulsa, Oklahoma.

d) Any questions that may arise with respect to the obligation of discovery and disclosure and the protection of the disclosed and discovered material shall be referred to the sole arbitrator, whose determination shall be made in accordance with this Agreement and shall be final and conclusive. Discovery shall be completed no later than ninety (90) days after filing of such notice of arbitration unless extended by the arbitrator.

e) The arbitrator may consider any material that is relevant to the subject matter of such dispute, even if such material might also be relevant to an issue or issues not subject to arbitration hereunder. A stenographic record shall be made of the arbitration hearing.

f) The parties shall equally share the costs of the arbitrator, unless the arbitrator rules one or more parties shall be responsible for costs where the arbitrator finds the arbitration was not brought in good faith or was frivolous.

g) The parties shall be responsible for their own attorney fees, witness fees, expenses, costs, and expert witness fees.

6) Third Party Beneficiaries.

Franchisor's officers, directors, shareholders, agents and/or employees are express third-party beneficiaries of the Franchise Agreement and this Personal Guaranty, and the mediation provisions contained herein, each having authority to specifically enforce the right to mediate and arbitrate claims asserted against such person(s) by you.

7) Injunctive Relief.

Nothing contained in this Personal Guaranty will prevent Franchisor from applying to or obtaining from any court having jurisdiction, without bond, a writ of attachment, temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect Franchisor's interest prior to the filing of any mediation proceeding or pending the trial or handing down of a decision or award pursuant to any mediation or judicial proceeding conducted hereunder.

8) Jurisdiction and Venue.

With respect to any proceeding not subject to the above dispute resolution procedure, the parties expressly agree to submit to the jurisdiction and venue of any court of general jurisdiction in Tulsa County, Oklahoma and the jurisdiction and venue of the United States District Court presiding over Tulsa, Oklahoma.

9) Jury Trial Waiver.

THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER WILL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS PERSONAL GUARANTY OR THE FRANCHISE AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR YOUR PURCHASE FROM FRANCHISOR OF THE FRANCHISE, OPTION AND/OR ANY GOODS OR SERVICES.

10) Waiver of Punitive Damages.

You waive to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) that you may have against us arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, your recovery will be limited to actual damages. If any other term of this Personal Guaranty is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions will continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

11) Limitation on Action.

You agree that no cause of action arising out of or under this Personal Guaranty or the Franchise Agreement may be maintained by you unless brought before the expiration of one (1) year after the act, transaction or occurrence upon which such action is based or the expiration of one (1) year after you become aware of facts or circumstances reasonably indicating that you may have a claim against the Franchisor, whichever occurs sooner, and that any action not brought within this period will be barred as a claim, counterclaim, defense or set-off.

12) Attorneys' Fees.

If either party institutes any mediation or judicial proceeding to enforce any monetary or nonmonetary obligation or interpret the terms of this Personal Guaranty and the Franchise Agreement, and Franchisor prevails in such action, you will be liable to Franchisor for all costs, including reasonable attorneys' fees, incurred in connection with such proceeding.

13) Nonwaiver.

Franchisor's failure to insist upon strict compliance with any provision of this Personal Guaranty and the Franchise Agreement will not be a waiver of Franchisor's right to do so, any law, custom, usage or rule to the contrary notwithstanding. Delay or omission by Franchisor respecting any breach or default will not affect Franchisor's rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Personal Guaranty will be cumulative. Franchisor's election to exercise any remedy available by law or contract will not be deemed a waiver or preclude exercise of any other remedy.

14) Severability.

The parties agree that if any provisions of this Personal Guaranty may be construed in two ways, one of which would render the provision illegal or otherwise voidable or unenforceable and the other which would render it valid and enforceable, such provision will have the meaning that renders it valid and enforceable. The language of all provisions of this Personal Guaranty will be construed according to fair meaning and not strictly construed against either party. The provisions of this Personal Guaranty are severable, and this Personal Guaranty will be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and partially valid and enforceable provisions will be enforced to the extent that they are valid and enforceable. If any material provision of this Personal Guaranty will be stricken or declared invalid, the parties agree to negotiate mutually acceptable substitute provisions. In the event that the parties are unable to agree upon such provisions, Franchisor reserves the right to terminate this Personal Guaranty.

15) Construction of Language.

Any term defined in the Franchise Agreement which is not defined in this Personal Guaranty will be ascribed the meaning given to it in the Franchise Agreement. The language of this Personal Guaranty will be construed according to its fair meaning, and not strictly for or against either party. All words in this Personal Guaranty refer to whatever number or gender the context requires. If more than one party or person is referred to as you, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.

16) Successors.

References to "Franchisor" or "the undersigned," or "you" include the respective parties' successors, assigns or transferees.

17) No Personal Liability.

You agree that fulfillment of any and all of Franchisor's obligations written in this Personal Guaranty or in the Franchise Agreement or based on any oral communications that may be ruled to be binding in a court of law will be Franchisor's sole responsibility and none of Franchisor's agents, representatives, nor any individuals associated with Franchisor's franchise company will be personally liable to Franchisee or you for any reason.

PERSONAL GUARANTOR(S)

PERSONAL GUARANTOR(S)

EXHIBIT B TO THE DISCLOSURE DOCUMENT
FINANCIAL STATEMENTS

MOLDMAN FRANCHISOR, LLC
(A Limited Liability Company)
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

MOLDMAN FRANCHISOR, LLC
(A Limited Liability Company)
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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INDEPENDENT AUDITOR'S REPORT

To the Members
Moldman Franchisor, LLC

Opinion

We have audited the accompanying financial statements of Moldman Franchisor, LLC (a limited liability company), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of operations and changes in members' equity (deficit) and cash flows for the years then ended and the related notes to the financial statements.

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

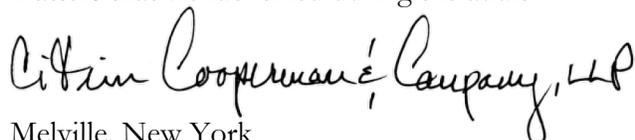
Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



Melville, New York

April 22, 2024

MOLDMAN FRANCHISOR, LLC
(A Limited Liability Company)
BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Current assets:		
Cash	\$ 36,530	\$ 20,508
Accounts receivable	<u>2,307</u>	<u>746</u>
TOTAL ASSETS	<u>\$ 38,837</u>	<u>\$ 21,254</u>
<u>LIABILITIES AND MEMBERS' EQUITY (DEFICIT)</u>		
Current liabilities:		
Accrued expenses and other current liabilities	\$ 22,404	\$ 18,325
Franchisee advertising payable	<u>15,402</u>	<u>33,474</u>
Total current liabilities	37,806	51,799
Commitments and contingencies (Note 6)		
Members' equity (deficit)	<u>1,031</u>	<u>(30,545)</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY (DEFICIT)	<u>\$ 38,837</u>	<u>\$ 21,254</u>

See accompanying notes to financial statements.

MOLDMAN FRANCHISOR, LLC
(A Limited Liability Company)
STATEMENT OF OPERATIONS AND CHANGES IN MEMBERS' EQUITY (DEFICIT)
YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Revenues:		
Royalties	\$ 159,358	\$ 87,380
Brand fund income	-	41,624
Technology fees	<u>9,081</u>	<u>7,551</u>
Total revenues	168,439	136,555
Operating expenses	<u>170,603</u>	<u>235,130</u>
Loss from operations	(2,164)	(98,575)
Other income	<u>740</u>	<u>500</u>
Net loss	(1,424)	(98,075)
Members' equity (deficit) - beginning	(30,545)	37,530
Contributions	<u>33,000</u>	<u>30,000</u>
MEMBERS' EQUITY (DEFICIT) - ENDING	<u>\$ 1,031</u>	<u>\$ (30,545)</u>

See accompanying notes to financial statements.

MOLDMAN FRANCHISOR, LLC
(A Limited Liability Company)
STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Net loss	\$ (1,424)	\$ (98,075)
Adjustments to reconcile net loss to net cash used in operating activities:		
Changes in operating assets and liabilities:		
Accounts receivable	(1,561)	299
Due from related parties	-	583
Accrued expense and other current liabilities	4,080	18,242
Franchisee advertising payable	(18,073)	25,120
Due to member	<u>-</u>	<u>(1,000)</u>
Net cash used in operating activities	(16,978)	(54,831)
Cash provided by financing activities:		
Contributions	<u>33,000</u>	<u>30,000</u>
Net increase (decrease) in cash	16,022	(24,831)
Cash - beginning	<u>20,508</u>	<u>45,339</u>
CASH - ENDING	<u><u>\$ 36,530</u></u>	<u><u>\$ 20,508</u></u>

See accompanying notes to financial statements.

MOLDMAN FRANCHISOR, LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Organization

Moldman Franchisor, LLC (the "Company") was formed on May 10, 2021, as an Oklahoma limited liability company to sell franchises pursuant to a non-exclusive license agreement dated September 1, 2021, between the Company and Moldman Enterprises (the "Licensor"), an entity related to the Company by common ownership and control. Pursuant to the Company's standard franchise agreement, franchisees will operate a business under the "Moldman" name and operate in the emergency services industry offering services including mold removal, mold inspections, water damage cleanup, and minor repairs that accompany mold removal.

The Company is a limited liability company and, therefore, the members are not liable for the debts, obligations or other liabilities of the Company, whether arising in contract, tort or otherwise, unless the member has signed a specific guarantee.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying disclosures. These estimates may be adjusted due to changes in future economic, industry or other financial conditions. Estimates are used in accounting for, among other items, revenue recognition and uncertain income tax positions. Actual results could ultimately differ from these estimates.

Concentrations of credit risk

Financial instruments that potentially expose the Company to concentration of credit risk consist primarily of cash. The Company's cash is placed with a major financial institution and, at times, may be in excess of the Federal Deposit Insurance Corporation limits. Management believes that this investment policy limits the Company's exposure to credit risk.

Accounts receivable

Accounts and franchise fee receivables are stated at the amount the Company expects to collect. The Company maintains allowances for doubtful accounts, and changes in the allowance are included in operating expenses on the statements of operations and changes in member's equity (deficit). The Company assesses collectibility by reviewing accounts receivable and its contract assets on a collective basis where similar risk characteristics exist. In determining the amount of the allowance for doubtful accounts, management considers historical collectibility and make judgments about the creditworthiness of the pool of customers based on credit evaluations. Current market conditions and reasonable and supportable forecasts of future economic conditions adjust the historical losses to determine the appropriate allowance for doubtful accounts. Uncollectible accounts are written off when all collection efforts have been exhausted.

MOLDMAN FRANCHISOR, LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts receivable (continued)

Under the prior accounting rules, the Company evaluated the following factors when determining the collectibility of specific franchisee accounts: franchisee creditworthiness, past transaction history with the franchisee, current economic industry trends, and changes in franchisee payment terms. The Company had no allowances for doubtful accounts at December 31, 2023 and 2022.

Revenue and cost recognition

The Company derives substantially all of its revenues from franchise agreements related to royalty revenue, technology fees, and system advertising revenue. The Company does not charge franchise fees.

Royalties, brand fund and technology fees

Contract consideration from franchise operations primarily consist of sales-based royalties, sales-based brand fund fees and technology fees by a franchisee. Sales-based royalties, brand fund fees and technology fees are payable on a weekly basis.

The Company's primary performance obligation under the franchise agreement mainly includes granting certain rights to access the Company's intellectual property and a variety of activities relating to opening a franchise unit, including site selection, training and other such activities commonly referred to collectively as "pre-opening activities." The Company has determined that rights to access its intellectual property and the pre-opening activities are highly interrelated and interdependent and, therefore, are accounted for as a single performance obligation, which is satisfied by granting certain rights to use the Company's intellectual property over the term of each franchise agreement.

Royalties are earned as a percentage of franchisee gross sales ("sales-based royalties") over the term of the franchise agreement, as defined in each respective franchise agreement. Franchise royalties which represent sales-based royalties that are related entirely to the use of the Company's intellectual property are recognized as franchisee sales occur and the royalty is deemed collectible.

National marketing fund

The Company maintains a marketing fund which is established to collect and administer funds contributed for use in advertising and promotional programs for franchise units. Marketing fund fees are collected from franchisees based on a percentage of franchisee gross sales. The Company has determined that it acts as a principal in the collection and administration of the marketing fund and therefore recognize the revenues and expenses related to the marketing fund on a gross basis. The Company has determined that the right to access its intellectual property and administration of the marketing fund are highly interrelated and therefore are accounted for as a single performance obligation.

As a result, revenues from the marketing fund represent sales-based royalties related to the right to access the Company's intellectual property, which are recognized as franchisee sales occur. When marketing fund fees exceed the related marketing fund expenses in a reporting period, advertising costs are accrued up to the amount of marketing fund revenues recognized.

MOLDMAN FRANCHISOR, LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and cost recognition (continued)

Other revenues

The Company recognizes revenue from other fees and other services provided to the franchisees as a single performance obligation, when the services are rendered.

Incremental costs of obtaining a contract

The Company will capitalize direct and incremental costs, principally consisting of commissions, associated with the sale of franchises and amortizes them over the term of the franchise agreement. To date the Company has not entered into any commission arrangements and therefore has not incurred such expense for the years ended December 31, 2023 and 2022.

Advertising

Advertising costs are expensed as incurred or as committed to be spent as part of the advertising fund. Advertising costs totaled \$9,037 and 43,071 for the years ended December 31, 2023 and 2022.

Income taxes

The Company is treated as a partnership for tax purposes and, as such, is not liable for federal and state income taxes. The Company is, therefore, a pass-through entity for income tax purposes and the Company's assets, liabilities, and items of income, deduction and credit are combined and included in the income tax returns of its members based on their pro rata share of the taxable income. Accordingly, the accompanying financial statements do not include a provision or liability for federal or state income taxes.

The Company recognizes and measures its unrecognized tax benefits in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 740, *Income Taxes*. Under that guidance, management assesses the likelihood that tax positions will be sustained upon examination based on the facts, circumstances and information, including the technical merits of those positions, available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available or when an event occurs that requires a change. There were no uncertain tax positions at December 31, 2023 and 2022.

Variable interest entities

The Company applies the provisions of FASB ASU No. 2018-17, *Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities*, which no longer requires nonpublic companies to apply variable interest entity guidance to certain common control arrangements, including leasing arrangements under common control. The Company has determined that related parties, as described in Note 6, meet the conditions under the standard, and accordingly, is not required to include the accounts of these related parties in the Company's financial statements.

MOLDMAN FRANCHISOR, LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently adopted accounting pronouncements

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments-Credit Losses (Topic 326)* ("ASC 326"), along with subsequently issued related ASUs, requires financial assets (or groups of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected, among other provisions. ASC 326 eliminates the probable initial threshold for recognition of credit losses for financial assets recorded at amortized cost, which could result in earlier recognition of credit losses. It utilizes a lifetime expected credit loss measurement model for the recognition of credit losses at the time the financial asset is originated or acquired. The Company's financial instruments include accounts receivables. The expected credit losses are adjusted each period for changes in expected lifetime credit losses. The Company adopted ASC 326 using the modified retrospective method at the at January 1, 2023, and it did not have a material impact on the financial statements.

Subsequent events

The Company has evaluated subsequent events through April 22, 2024, the date on which these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements other than disclosed below.

On February 6, 2024, the Company entered into a revolving line of credit agreement (the "LOC") with a third-party lender, with maximum borrowings of up to \$124,000. The term of the LOC is 24 months, and any borrowings will accrue interest at an annual rate of 8.5%. The LOC is fully collateralized by certain assets, as defined.

NOTE 3. LIQUIDITY AND BUSINESS RISKS

The Company has sustained continued net losses and negative cash flows from operations of \$16,978 at December 31, 2023. Since inception, the Company's operations have been funded through a combination of contributions from its members and entities affiliated by common control and ownership. The Company is growing and, as such, is incurring expenditures in the near term to benefit the future as it looks to grow the franchisee base and expand into new markets. Such expenses could be reduced or eliminated in order to improve operating cash flows as needed.

As of the date these financial statements were available to be issued, the Company continues to focus on selling franchises, and royalties are expected to increase as a result. Subsequent to year end, several of the Company's franchised locations commenced operations, and the Company has sold multiple franchises. Management's plans to support continued operations include the ability to reduce operating expenses and to continue to collect royalties from the operating franchisees. Further, the members and certain affiliated entities of the Company have the intent and ability to continue funding the Company's operations, if necessary, should its cash flows from operations combined with its available cash balances not be sufficient to meet its working capital needs. The Company believes that this will enable it to meet its funding requirements for one year from the date these financial statements were available to be issued.

MOLDMAN FRANCHISOR, LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 4. FRANCHISED OUTLETS

The following data represents the Company's franchised outlets as of December 31:

	<u>2023</u>	<u>2022</u>
Franchises sold	4	2
Franchises purchased	-	-
Franchised outlets in operation	6	2
Affiliated by common ownership outlets in operation	1	1

NOTE 5. DISAGGREGATED REVENUES

The Company derives its revenues from a franchisee currently located in the Central United States. The economic risks of the Company's revenues are dependent on the strength of the economy in the United States, and the Company's ability to collect on its contracts. The Company's disaggregate revenue from contracts with customers by timing of revenue recognition by type of revenue, as it believes this will best depict how the nature, amount, timing and uncertainty of revenue and cash flows will be affected by economic factors.

Revenues by timing of recognition were as follows for the years ended December 31:

	<u>2023</u>	<u>2022</u>
<i>Point in time:</i>		
Royalties	\$ 159,358	\$ 87,380
Brand fund income	-	41,624
Technology fees	<u>9,081</u>	<u>7,551</u>
Total	<u>\$ 168,439</u>	<u>136,555</u>

NOTE 6. RELATED-PARTY TRANSACTIONS

License agreement

On September 1, 2021, the Company entered into a non-exclusive royalty-free license agreement with the Licensor for the use of the registered name "Moldman" (the "license agreement"). Pursuant to the license agreement, the Company received the right to use the "Moldman" marks along with the right to earn royalties and other fees from franchisees pursuant to the related franchise agreements.

Brand fund fees

The Company collects brand fund fees from entities related to the Company through common ownership and control. For the year ended December 31, 2022, the Company charged \$31,345 of brand fund fees to these affiliates, which is included in "Brand fund income" on the accompanying statements of operations and changes in members' equity (deficit). As described in Note 6, the brand fund was suspended by the Company during 2022 and, therefore, no monies were collected as of December 31, 2023.

MOLDMAN FRANCHISOR, LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 7. NATIONAL MARKETING FUND

The Company collects a brand fund fee of up to 3% of franchisees' reported sales in accordance with the Company's standard franchise agreement. Under the terms of the franchise agreements, the Company is obligated to spend the amounts received (when collected from the franchisees) solely on advertising and related expenses for the benefit of the franchisees. The Company has discretion as to the nature of the advertising expenditures, as long as they are related to the business of the franchisees. Pursuant to the standard franchise agreement, the Company is not required to segregate and restrict monies collected on behalf of the advertising fund. The Company collected a brand fund fee of 3% of franchisees' reported sales during the year end December 31, 2022. Funds collected and not yet spent on the franchisees' behalf totaled \$15,402 and \$33,474 as of December 31, 2023 and 2022, which is included in "Franchisee advertising payable" in the accompanying balance sheet. As of September 2022, the Company has suspended the charge of these funds until a future date which has not yet been determined.

MOLDMAN FRANCHISOR, LLC
(A Limited Liability Company)
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

MOLDMAN FRANCHISOR, LLC
(A Limited Liability Company)
FOR THE YEAR ENDED DECEMBER 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Members
Moldman Franchisor, LLC

Opinion

We have audited the accompanying financial statements of Moldman Franchisor, LLC (a limited liability company), which comprise the balance sheet as of December 31, 2022, and the related statements of operations and changes in members' equity (deficit) and cash flows for the year then ended, and the related notes to the financial statements.

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



CERTIFIED PUBLIC ACCOUNTANTS

New York, New York
April 27, 2023

MOLDMAN FRANCHISOR, LLC
(A Limited Liability Company)
BALANCE SHEET
DECEMBER 31, 2022

ASSETS

Current assets:		
Cash	\$	20,508
Accounts receivable		<u>746</u>
TOTAL ASSETS	\$	<u><u>21,254</u></u>

LIABILITIES AND MEMBERS' DEFICIT

Current liabilities:		
Accrued expenses and other current liabilities	\$	18,325
Franchisee advertising payable		<u>33,474</u>
Total current liabilities		51,799
Commitments and contingencies (Notes 5 and 6)		
Members' deficit		<u>(30,545)</u>
TOTAL LIABILITIES AND MEMBERS' DEFICIT	\$	<u><u>21,254</u></u>

See accompanying notes to financial statements.

MOLDMAN FRANCHISOR, LLC
(A Limited Liability Company)
STATEMENT OF OPERATIONS AND CHANGES IN MEMBERS' EQUITY (DEFICIT)
FOR THE YEAR ENDED DECEMBER 31, 2022

Revenues:	
Royalties	\$ 87,380
Brand fund income	41,624
Technology fees	<u>7,551</u>
Total revenues	136,555
Selling, general and administrative expenses	<u>235,130</u>
Loss from operations	(98,575)
Other income	<u>500</u>
Net loss	(98,075)
Members' equity - beginning	37,530
Contributions	<u>30,000</u>
MEMBERS' DEFICIT - ENDING	<u><u>\$ (30,545)</u></u>

See accompanying notes to financial statements.

MOLDMAN FRANCHISOR, LLC
(A Limited Liability Company)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

Cash flows from operating activities:	
Net loss	\$ (98,075)
Adjustments to reconcile net loss to net cash used in operating activities:	
Changes in operating assets and liabilities:	
Accounts receivable	299
Due from related parties	583
Accrued expense and other current liabilities	18,242
Franchisee advertising payable	25,120
Due to member	<u>(1,000)</u>
Net cash used in operating activities	(54,831)
Cash provided by financing activities:	
Contributions	<u>30,000</u>
Net decrease in cash	(24,831)
Cash - beginning	<u>45,339</u>
CASH - ENDING	<u><u>\$ 20,508</u></u>

See accompanying notes to financial statements.

MOLDMAN FRANCHISOR, LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Organization

Moldman Franchisor, LLC (the "Company") was formed on May 10, 2021, as an Oklahoma limited liability company to sell franchises pursuant to a non-exclusive license agreement dated September 1, 2021, between the Company and Moldman Enterprises (the "Licensor"), an entity related to the Company by common ownership and control. Pursuant to the Company's standard franchise agreement, franchisees will operate a business under the "Moldman" name and operate in the emergency services industry offering services including mold removal, mold inspections, water damage cleanup, and minor repairs that accompany mold removal.

The Company is a limited liability company and, therefore, the members are not liable for the debts, obligations or other liabilities of the Company, whether arising in contract, tort or otherwise, unless the member has signed a specific guarantee.

Franchised outlets

The following data represents the Company's franchised outlets as of December 31, 2022:

Franchises sold	2
Franchises purchased	-
Franchised outlets in operation	2
Affiliated by common ownership outlets in operation	1

NOTE 2. LIQUIDITY AND MEMBERS' DEFICIT

The Company has sustained continued losses and as a result, has an accumulated members' deficit of \$30,545 as of December 31, 2022. The Company also had a working capital deficit of \$30,545 at December 31, 2022. Since inception, the Company's operations have been funded through a combination of contributions from members and entities affiliated by common control and ownership.

The Company's financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

As of the date these financial statements were available to be issued, management of the Company continues to focus on selling franchises, and royalties are expected to increase. Subsequent to year end, the Company had four new franchise locations open for operations and has sold franchise locations. Management's plans to support continued operations include the ability to reduce operating expenses and to continue to collect royalties from the operating franchisees. Further, Management has been advised that affiliated entities of the Company which are commonly owned by the Members, have the ability and intent to support the Company with funds for at least one year from the date these financial statements were available to be issued, if necessary.

MOLDMAN FRANCHISOR, LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates may be adjusted due to changes in future economic, industry or other financial conditions. Actual results could differ from those estimates. The Company evaluates its estimates and assumptions on an ongoing basis.

Concentrations of credit risks

Cash

Financial instruments that potentially expose the Company to concentration of credit risk consist primarily of cash. The Company's cash is placed with a major financial institution and at times may be in excess of the Federal Deposit Insurance Corporation insurance limits. Management believes that this investment policy limits the Company's exposure to credit risk.

In March 2023, the shut-down of certain financial institutions raised economic concerns over disruption in the U.S. banking system. The U.S. government took certain actions to strengthen public confidence in the U.S. banking system. However, there can be no certainty that the actions taken by the U.S. government will be effective in mitigating the effects of financial institution failures on the economy, which may include limits on access to short-term liquidity in the near term or other adverse effects. Management of the Company has assessed the risk and has taken actions to minimize any risk.

Accounts receivable

Accounts receivable are stated at the amount the Company expects to collect. The Company maintains allowances for doubtful accounts for estimated losses resulting from the inability of the franchisee to make required payments. Management considers the following factors when determining the collectibility of specific franchisee accounts: franchisee creditworthiness, past transaction history with the franchisee, and current economic industry trends. If the financial conditions of the Company's franchisee were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required. Based on management's assessment, the Company provides for estimated uncollectible amounts through a charge to earnings and a credit to a valuation allowance. Balances that remain outstanding after the Company has made reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The Company had no allowances for doubtful accounts at December 31, 2022 and 2021. Accounts receivable as of December 31, 2022 and 2021, amounted to \$745 and \$1,044, respectively.

MOLDMAN FRANCHISOR, LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentrations of credit risks (continued)

Accounts receivable (continued)

For the year ended December 31, 2022, the Company had one franchisee that accounted for approximately 77% of the Company's total revenues while two affiliate entities accounted for 11.5% each of the Company's total revenue. At December 31, 2022, one customer accounted for approximately 100% of the Company's accounts receivable.

Revenue and cost recognition

The Company derives its revenues from royalty revenue, technology fees, and system advertising revenue.

Royalties, brand fund and technology fees

Contract consideration from franchise operations primarily consist of sales-based royalties, sales-based brand fund fees and technology fees by a franchisee. Sales-based royalties, brand fund fees and technology fees are payable weekly.

Royalties are earned as a percentage of franchisee gross sales ("sales-based royalties") over the term of the franchise agreement, as defined in each respective franchise agreement. Franchise royalties which represent sales-based royalties that are related entirely to the use of the Company's intellectual property are recognized as franchisee sales occur and the royalty is deemed collectible.

National marketing fund

The Company maintains a marketing fund which is established to collect and administer funds contributed for use in advertising and promotional programs for franchise units. Marketing fund fees are collected from franchisees based on a percentage of franchisee gross sales. The Company has determined that it acts as a principal in the collection and administration of the marketing fund and therefore recognize the revenues and expenses related to the marketing fund on a gross basis. The Company has determined that the right to access its intellectual property and administration of the marketing fund are highly interrelated and therefore are accounted for as a single performance obligation. As a result, revenues from the marketing fund represent sales-based royalties related to the right to access the Company's intellectual property, which are recognized as franchisee sales occur.

When marketing fund fees exceed the related marketing fund expenses in a reporting period, advertising costs are accrued up to the amount of marketing fund revenues recognized.

Other revenues

The Company recognizes revenue from other fees and other services provided to the franchisees as a single performance obligation, when the services are rendered.

MOLDMAN FRANCHISOR, LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and cost recognition (continued)

Incremental costs of obtaining a contract

The Company will capitalize direct and incremental costs, principally consisting of commissions, associated with the sale of franchises and amortizes them over the term of the franchise agreement. To date the Company has not entered into any commission arrangements and therefore has not incurred such expense for the year ended December 31, 2022.

Advertising

Advertising costs are expensed as incurred or as committed to be spent as part of the advertising fund. Advertising costs totaled \$43,071 for the year ended December 31, 2022.

Income taxes

As a limited liability company, the Company is treated as a partnership for federal and state income tax purposes. Accordingly, no provision has been made for income taxes in the accompanying financial statements, since all items of income or loss are required to be reported on the income tax returns of the members, who are responsible for any taxes thereon.

Uncertain tax positions

The Company recognizes and measures its unrecognized tax benefits in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 740, *Income Taxes*. Under that guidance, management assesses the likelihood that tax positions will be sustained upon examination based on the facts, circumstances and information, including the technical merits of those positions, available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available or when an event occurs that requires a change. There were no uncertain tax positions at December 31, 2022.

The Company will file income tax returns in the U.S. federal jurisdiction and in various state jurisdictions.

Variable interest entities

The Company applies the provisions of FASB Accounting Standards Update ("ASU") No. 2018-17, *Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities*, which no longer requires nonpublic companies to apply variable interest entity guidance to certain common control arrangements, including leasing arrangements under common control. The Company has determined that related parties, as described in Note 5, meet the conditions under the standard, and accordingly, is not required to include the accounts of these related parties in the Company's financial statements.

MOLDMAN FRANCHISOR, LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently issued but not yet effective accounting pronouncements

In June 2016, FASB issued ASU No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"), and subsequent amendment to the initial guidance: ASU No. 2018-19, *Codification Improvements to Topic 326, Financial Instruments - Credit Losses* (collectively, "Topic 326"). Topic 326 introduces a new forward-looking approach, based on expected losses, to estimate credit losses on certain types of financial instruments, including trade receivables. The estimate of expected credit losses will require entities to incorporate considerations of historical information, current information, and reasonable and supportable forecasts and will generally result in earlier recognition of allowances for losses. For non-public companies, Topic 326 will be effective for annual and interim reporting periods beginning after December 15, 2022. The guidance is to be applied using the modified retrospective approach. The Company is in the process of assessing the impact of Topic 326 on its financial statements.

Subsequent events

In accordance with FASB ASC 855, *Subsequent Events*, the Company has evaluated subsequent events through April 27, 2023, the date on which these financial statements were available to be issued. Except as disclosed in Note 3, there were no material subsequent events that required recognition or additional disclosure in these financial statements.

NOTE 4. DISAGGREGATED REVENUES

The Company derives its revenues from a franchisee currently located in the Central United States. The economic risks of the Company's revenues are dependent on the strength of the economy in the United States, and the Company's ability to collect on its contracts. The Company's disaggregate revenue from contracts with customers by timing of revenue recognition by type of revenue, as it believes this will best depict how the nature, amount, timing and uncertainty of revenue and cash flows will be affected by economic factors.

Revenues by timing of recognition for the year ended December 31, 2022, were as follows:

<i>Point in time:</i>	
Royalties	\$ 87,380
Brand fund income	41,624
Technology fees	<u>7,551</u>
Total	<u>\$ 136,555</u>

MOLDMAN FRANCHISOR, LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5. RELATED-PARTY TRANSACTIONS

License agreement

On September 1, 2021, the Company entered into a non-exclusive royalty-free license agreement with the Licensor for the use of the registered name "Moldman" (the "license agreement"). Pursuant to the license agreement, the Company received the right to use the "Moldman" marks along with the right to earn royalties and other fees from franchisees pursuant to the related franchise agreements.

Brand fund fees

The Company collects brand fund fees from entities related to the Company through common ownership and control. For the year ended December 31, 2022, the Company charged brand fund fees of \$31,345 to these affiliates, which is included in "Brand fund income" on the accompanying statements of operations and changes in members' equity (deficit).

NOTE 6. NATIONAL MARKETING FUND

The Company collects a brand fund fee of up to 3% of franchisees' reported sales in accordance with the Company's standard franchise agreement. Under the terms of the franchise agreements, the Company is obligated to spend the amounts received (when collected from the franchisees) solely on advertising and related expenses for the benefit of the franchisees. The Company has discretion as to the nature of the advertising expenditures, as long as they are related to the business of the franchisees. Pursuant to the standard franchise agreement, the Company is not required to segregate and restrict monies collected on behalf of the advertising fund. The Company collected a brand fund fee of 3% of franchisees' reported sales during the year end December 31, 2022. Funds collected and not yet spent on the franchisees' behalf totaled \$33,474 as of December 31, 2022, which is included in "Franchisee advertising payable" in the accompanying balance sheet. As of September 2022, the Company has suspended the charge of these funds until a future date which has not yet been determined.

MOLDMAN FRANCHISOR, LLC
(A Limited Liability Company)
FINANCIAL STATEMENT
DECEMBER 31, 2021

MOLDMAN FRANCHISOR, LLC
(A Limited Liability Company)
DECEMBER 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Members
Moldman Franchisor, LLC

Opinion

We have audited the accompanying financial statement of Moldman Franchisor, LLC (a limited liability company), which comprise the balance sheet as of December 31, 2021, and the related notes to the financial statement.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of Moldman Franchisor, LLC as of December 31, 2021, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statement

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

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

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

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



CERTIFIED PUBLIC ACCOUNTANTS

New York, New York
September 22, 2022

MOLDMAN FRANCHISOR, LLC
(A Limited Liability Company)
BALANCE SHEET
DECEMBER 31, 2021

ASSETS

Current assets:	
Cash	\$ 45,339
Accounts receivable	1,044
Due from related parties	<u>583</u>
TOTAL ASSETS	<u><u>\$ 46,966</u></u>

LIABILITIES AND MEMBERS' EQUITY

Current liabilities:	
Accounts payable	\$ 82
Franchisee advertising payable	8,354
Due to related party	<u>1,000</u>
Total current liabilities	9,436
Commitments and contingencies (Notes 4 and 5)	
Members' equity	<u>37,530</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u><u>\$ 46,966</u></u>

See accompanying notes to financial statements.

MOLDMAN FRANCHISOR, LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2021

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Moldman Franchisor, LLC (the "Company") was formed on May 10, 2021, as an Oklahoma limited liability company to sell franchises pursuant to a non-exclusive license agreement dated September 1, 2021, between the Company and Moldman Enterprises (the "Licensor"), an entity related to the Company by common ownership and control. Pursuant to the Company's standard franchise agreement, franchisees will operate a business under the "Moldman" name and operate in the emergency services industry offering services including mold removal, mold inspections, water damage cleanup, and minor repairs that accompany mold removal.

The Company is a limited liability company and, therefore, the members are not liable for the debts, obligations or other liabilities of the Company, whether arising in contract, tort or otherwise, unless the member has signed a specific guarantee.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The accompanying financial statement has been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of estimates

The preparation of the Company's financial statement in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Company's financial statement. Actual results could differ from those estimates. The Company evaluates its estimates and assumptions on an ongoing basis.

Concentration of credit risk

The Company places its cash, which may at times be in excess of Federal Deposit Insurance Corporation insurance limits, with a major financial institution. Management believes that this policy will limit the Company's exposure to credit risk.

Accounts receivable

Accounts receivable are stated at the amount the Company expects to collect. The Company maintains allowances for doubtful accounts for estimated losses resulting from the inability of the franchisee to make required payments. Management considers the following factors when determining the collectibility of specific franchisee accounts: franchisee creditworthiness, past transaction history with the franchisee, and current economic industry trends. If the financial conditions of the Company's franchisee was to deteriorate, adversely affecting their ability to make payments, additional allowances would be required. Based on management's assessment, the Company provides for estimated uncollectible amounts through a charge to earnings and a credit to a valuation allowance. Balances that remain outstanding after the Company has made reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The Company had no allowances for doubtful accounts at December 31, 2021. The balance in accounts receivable at December 31, 2021, amounted to \$1,044.

MOLDMAN FRANCHISOR, LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2021

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income taxes

As a limited liability company, the Company is treated as a partnership for federal and state income tax purposes. Accordingly, no provision has been made for income taxes in the accompanying financial statement, since all items of income or loss are required to be reported on the income tax returns of the members, who are responsible for any taxes thereon.

Uncertain tax positions

The Company recognizes and measures its unrecognized tax benefits in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 740, *Income Taxes*. Under that guidance, management assesses the likelihood that tax positions will be sustained upon examination based on the facts, circumstances and information, including the technical merits of those positions, available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available or when an event occurs that requires a change. There were no uncertain tax positions at December 31, 2021.

The Company will file income tax returns in the U.S. federal jurisdiction and in various state jurisdictions.

Revenue and cost recognition

In May 2014, FASB issued ASC 606, with several clarifying updates issued subsequently. In conjunction with Topic 606, a new subtopic, ASC 340-40, *Other Assets and Deferred Costs – Contracts with Customers*, was also issued. The updated standard replaces most existing revenue recognition and certain cost standards under U.S. GAAP, including industry-specific standards. Collectively, Topic 606 and Subtopic 340-40 are referred to as "ASC 606." ASC 606 requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity is entitled in exchange for those goods or services.

In January 2021, FASB issued Accounting Standards Update ("ASU") 2021-02, which permits franchisors that are not public business entities, to elect a practical expedient to account for pre-opening services provided to its franchisees as distinct from the franchise license if the pre-opening services are consistent with those included in ASU 2021-02. This accounting policy election would recognize, when satisfied, all those pre-opening services as a single performance obligation. This standard is effective in interim and annual periods beginning after December 15, 2020, with early adoption permitted. The standard requires a full retrospective transition to the date ASC 606 was adopted. The Company adopted the practical expedient effective May 10, 2021.

The Company applies ASC Topic 606, *Revenue from Contracts with Customers* ("Topic 606") on May 10, 2021. Additionally, the Company adopted FASB ASU No. 2021-02, *Franchisors - Revenue from Contracts with Customers* (Subtopic 952-606) ("ASU 2021-02") (see Note 3).

MOLDMAN FRANCHISOR, LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2021

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and cost recognition (continued)

The Company derives substantially all its revenue from franchise agreements related to franchise fee revenue, royalty revenue, technology fees and national fee revenue. The Company has executed one franchise agreement as of December 31, 2021, and as of the date this financial statement was available to be issued.

Franchise fees and royalties

Contract consideration from franchisees consists primarily of initial or renewal franchise fees, sales-based royalties, sales-based marketing fund fees, technology fees and transfer fees payable by a franchisee for the transfer of their franchise unit to another franchisee. The initial franchise fees and up-front multi-unit fees are nonrefundable and collectable when the underlying franchise agreement is signed by the franchisee. Sales-based royalties, sales-based marketing fund fees and technology fees are payable on a monthly basis. Renewal and transfer fees are due from franchisees when an existing franchisee renews the franchise agreement for an additional term or when a transfer to a third party occurs, respectively.

The Company's primary performance obligation under the franchise agreement includes granting certain rights to the Company's intellectual property in addition to a variety of activities relating to opening a franchise unit. Those services include site selection, training and other such activities commonly referred to collectively as "pre-opening activities." Pre-opening activities consistent with those under ASU 2021-02 will be recognized as a single performance obligation. For all other pre-opening activities, if any, the Company will determine if a certain portion of those pre-opening activities provided is not brand specific and provides the franchisee with relevant general business information that is separate from the operation of a company-branded franchise unit. The portion of pre-opening activities that is not brand specific will be deemed to be distinct as it provides a benefit to the franchisee and is not highly interrelated to the use of the Company's intellectual property, and will therefore be accounted for as a separate performance obligation. All other pre-opening activities are expected to be highly interrelated to the use of the Company's intellectual property and will therefore be accounted for as a single performance obligation, which is satisfied by granting certain rights to use the Company's intellectual property over the term of each franchise agreement.

The Company estimates the stand-alone selling price of pre-opening activities using an adjusted market assessment approach. The Company first allocates the initial franchise fees and the fixed consideration under the franchise agreement to the stand-alone selling price of the pre-opening activities and the residual, if any, to the right to access the Company's intellectual property. Consideration allocated to pre-opening activities, other than those included under ASU 2021-02, which are not brand specific are recognized when those performance obligations are satisfied. Consideration allocated to pre-opening activities included under ASU 2021-02 are recognized when those performance obligations are satisfied.

Initial and renewal franchise fees allocated to the right to access the Company's intellectual property are recognized as revenue on a straight-line basis over the term of the respective franchise agreement.

MOLDMAN FRANCHISOR, LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2021

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and cost recognition (continued)

Franchise fees and royalties (continued)

Royalties are earned as a percentage of franchisee gross sales ("sales-based royalties") over the term of the franchise agreement, as defined in each respective franchise agreement. Franchise royalties which represent sales-based royalties that are related entirely to the use of the Company's intellectual property are recognized as franchisee sales occur and the royalty is deemed collectible.

National marketing fund

The Company maintains a marketing fund which is established to collect and administer funds contributed for use in advertising and promotional programs for franchise units. Marketing fund fees are collected from franchisees based on a percentage of franchisee gross sales. The Company has determined that it acts as a principal in the collection and administration of the marketing fund and therefore recognize the revenues and expenses related to the marketing fund on a gross basis. The Company has determined that the right to access its intellectual property and administration of the marketing fund are highly interrelated and therefore are accounted for as a single performance obligation. As a result, revenues from the marketing fund represent sales-based royalties related to the right to access the Company's intellectual property, which are recognized as franchisee sales occur.

When marketing fund fees exceed the related marketing fund expenses in a reporting period, advertising costs are accrued up to the amount of marketing fund revenues recognized.

Other revenues

The Company recognizes revenue from other fees and other services provided to the franchisees as a single performance obligation, when the services are rendered.

Incremental costs of obtaining a contract

The Company capitalizes direct and incremental costs, principally consisting of commissions, associated with the sale of franchises and amortizes them over the term of the franchise agreement.

Franchised outlets

The following data represents the Company's franchised outlets as of December 31, 2021:

Franchises sold	1
Franchises purchased	-
Franchised outlets in operation	1
Affiliated by common ownership outlets in operation	2

MOLDMAN FRANCHISOR, LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2021

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Variable interest entities

In October 2018, FASB issued ASU No. 2018-17, *Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities*, which no longer requires nonpublic companies to apply variable interest entity guidance to certain common control arrangements. This standard is effective for fiscal years ending after December 15, 2020, with early adoption permitted. The Company has elected to adopt and apply the alternative accounting and disclosures for certain variable interest entities provided to private companies pursuant to U.S. GAAP. The Company has determined that related parties, as described in Note 4, meet the conditions under the standard, and accordingly, is not required to include the accounts of related parties in the Company's financial statement.

Recently issued but not yet effective accounting pronouncements

In February 2016, FASB issued ASU No. 2016-02, *Leases* ("ASU 2016-02"), which among other items, requires an entity to recognize lease assets and lease liabilities in the Company's balance sheet and to disclose key information about leasing transactions. In June 2020, FASB issued ASU No. 2020-05, which defers the effective date for annual reporting periods beginning after December 15, 2021. The Company is evaluating the effect that ASU 2016-02 will have on its financial statement and related disclosures.

Subsequent events

In accordance with FASB ASC 855, *Subsequent Events*, the Company has evaluated subsequent events through September 22, 2022, the date on which this financial statement was available to be issued. There were no material subsequent events that required recognition or additional disclosure in the financial statement.

NOTE 3. DISAGGREGATED REVENUES

The Company derives its revenues from franchisees currently located in the Central United States. The economic risks of the Company's revenues are dependent on the strength of the economy in the United States, and the Company's ability to collect on its contracts. The Company's disaggregate revenue from contracts with customers by timing of revenue recognition by type of revenue, as it believes this will best depict how the nature, amount, timing and uncertainty of revenue and cash flows will be affected by economic factors.

NOTE 4. RELATED-PARTY TRANSACTIONS

License agreement

On September 1, 2021, the Company entered into a non-exclusive license agreement with the Licensor for the use of the registered name "Moldman" (the "license agreement"). Pursuant to the license agreement, the Company received the right to use the "Moldman" marks along with the right to earn franchise fees, royalties and other fees from franchisees pursuant to the related franchise agreements.

MOLDMAN FRANCHISOR, LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2021

NOTE 4. RELATED-PARTY TRANSACTIONS (CONTINUED)

Related-party transactions

In the ordinary course of business, the Company periodically advances funds to and receives funds from a related party related to the Company by common ownership and control. No interest is charged on these advances. Advances to and from the related party are unsecured and have no specific repayment terms. Management expects such balances to be settled within the next 12 months of the balance sheet date. At December 31, 2021, the balance due to the affiliate amounted to \$1,000, which is included in "Due to related party" in the accompanying balance sheet.

Brand fund fees

The Company collects brand fund fees from entities related to the Company through common ownership and control. As of December 31, 2021, the Company is owed \$583, which is included in "Due from related parties" in the accompanying balance sheet.

NOTE 5. NATIONAL MARKETING FUND

Pursuant to the structured form of the franchising arrangement, the Company reserves the right to collect marketing fund fees of up to 3% of franchisees' reported sales. These funds are to be spent solely on advertising and related expenses for the benefit of the franchisees with a portion designated to offset the Company's administrative costs to administer the funds, all at the discretion of the Company. Funds collected and not yet expended on the franchisees' behalf totaled \$8,354 as of December 31, 2021, which is included in "Franchisee advertising payable" in the accompanying balance sheet.

**EXHIBIT C TO THE DISCLOSURE DOCUMENT
STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS**

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

<p><u>CALIFORNIA</u> Commissioner of the Department of Financial Protection and Innovation (Service Agent) Department of Financial Protection and Innovation (State Administrator) 320 West 4th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7500 Toll Free (866) 275-2677</p> <p>1515 K Street, Suite 200 Sacramento, CA 95814 (916) 445-7205</p> <p>1350 Front Street San Diego, CA 92101 (619) 525-4233</p> <p>One Sansome Street, Suite 600 San Francisco, CA 94104 (415) 972-8559</p>	<p><u>CONNECTICUT</u> State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230</p> <p>Agent: Banking Commissioner</p>
<p><u>HAWAII</u> (state administrator)</p> <p>Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722</p> <p>(agent for service of process)</p> <p>Commissioner of Securities State of Hawaii 335 Merchant Street Honolulu, Hawaii 96813 (808) 586-2722</p>	<p><u>ILLINOIS</u> Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465</p>

<p><u>INDIANA</u> (state administrator)</p> <p>Indiana Secretary of State Securities Division, E-111 302 Washington Street Indianapolis, Indiana 46204 (317) 232-6681</p> <p>(agent for service of process) Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, Indiana 46204 (317) 232-6531</p>	<p><u>MARYLAND</u> (state administrator)</p> <p>Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360</p> <p>(for service of process) Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360</p>
<p><u>MICHIGAN</u> (state administrator)</p> <p>Consumer Protection Division Antitrust and Franchise Unit Michigan Department of Attorney General 525 W. Ottawa Street, 6th Floor Lansing, Michigan 48933 (517) 373-7117</p> <p>(for service of process) Corporations Division Bureau of Commercial Services Department of Labor and Economic Growth P.O. Box 30054 Lansing, Michigan 48909</p>	<p><u>MINNESOTA</u> (state administrator)</p> <p>Minnesota Department of Commerce 85 7th Place East, Suite 500 St. Paul, Minnesota 55101-2198 (651) 296-6328</p> <p>(for service of process) Minnesota Commissioner of Commerce</p>
<p><u>NEW YORK</u> (state administrator)</p> <p>New York State Department of Law Bureau of Investor Protection and Securities 120 Broadway, 23rd Floor New York, New York 10271 (212) 416-8211</p> <p>(for service of process) Secretary of State of New York 41 State Street Albany, New York 12231 (518) 474-4750</p>	<p><u>NORTH DAKOTA</u></p> <p>North Dakota Securities Department State Capitol, Fifth Floor, Dept. 414 600 East Boulevard Avenue Bismarck, North Dakota 58505 (701) 328-4712</p>

<p><u>OREGON</u></p> <p>Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, Oregon 97310 (503) 378-4387</p>	<p><u>RHODE ISLAND</u></p> <p>Securities Division Department of Business Regulation, Bldg. 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9582</p>
<p><u>SOUTH DAKOTA</u></p> <p>Division of Securities Department of Revenue & Regulation 445 East Capitol Avenue Pierre, South Dakota 57501 (605) 773-4823</p>	<p><u>VIRGINIA</u></p> <p>State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051</p> <p>(for service of process) Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733</p>
<p><u>WASHINGTON</u> (state administrator)</p> <p>Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, Washington 98507-9033 (360) 902-8760</p> <p>(for service of process) Director, Department of Financial Institutions Securities Division 150 Israel Road S.W. Tumwater, Washington 98501</p>	<p><u>WISCONSIN</u> (state administrator)</p> <p>Division of Securities Department of Financial Institutions 345 W. Washington Ave., 4th Floor Madison, Wisconsin 53703 (608) 266-1064</p> <p>(for service of process) Administrator, Division of Securities Department of Financial Institutions 345 W. Washington Ave., 4th Floor Madison, Wisconsin 53703</p>

**EXHIBIT D TO THE DISCLOSURE DOCUMENT
LIST OF FRANCHISEES**

As of December 31, 2023

Franchisee	Address	Phone Number	State
Bautista Mold Services LLC, DBA Moldman Atlanta North, Andres Bautista	2806 Lake Ridge Lane Dunwoody, GA 30338	770-830-3309	GA
Mguillen LLC, Miguel Guillen	2607 W 25th Street Chicago, IL 60608	773-437-0456	IL
ZGR Services, LLC Ralph Zaremba	P.O. Box 399, 25 Tesler Road Lake Zurich, IL 60047	847-780-2844	IL
Cleanway Services Group Mold Division LLC, Mark Ridenhour	1954 Co Rd 374 Holts Summit, MO 65043	573-321-1401	MO
TADB Holdings, LLC, Travis Boyer and Diane Boyer	11870 Dorsett Road Maryland Heights, MO 63043	636-734-6757	MO
MB Indoor Air Quality Inspection and Testing LLC, Merid Bakena	6020 Moneroe Crossing Antioch, TN 37013	615-900-2842	TN

List of Former Franchisees: None.

List of Franchisees that have Signed but Not Opened as of December 31, 2023:

Franchisee	Address	Phone Number	State
Afolabi Adereti	5737 San Paulo Circle 46226 Indianapolis, IN46226	(701) 491-0043	IN
Travis Riley	3234 Loon Lake Rd Waterford, MI 48329	(248) 245-8185	MI
Ben Dew	17513 Crestland Rd Cleveland, OH 44119	(216) 410-7809	OH
Devin Renberg, Elissa Renberg	1047 E 36th Place Tulsa, OK 74105	(918) 600-6653	OK

EXHIBIT E TO THE DISCLOSURE DOCUMENT
TABLE OF CONTENTS OF OPERATIONS MANUAL

Moldman Operations Manual Table of Contents

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**EXHIBIT F TO THE DISCLOSURE DOCUMENT
STATE ADDENDA TO THE FDD**

ADDENDUM FOR THE STATE OF ILLINOIS

This is an Addendum to the Franchise Disclosure Document (“FDD”) issued by between MOLDMAN FRANCHISOR, LLC for use in the State of Illinois.

Notwithstanding anything to the contrary in the FDD or Franchise Agreement, in the event of a conflict between the terms of this Addendum and the terms of the FDD and/or Franchise Agreement, the terms of this Addendum shall control. Any terms not defined herein shall have the same meanings as in the Franchise Agreement and any references to sections and paragraphs refer to the sections and paragraphs of the Franchise Agreement unless stated otherwise.

1. Illinois law governs the Franchise Agreement.
2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction or venue outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
3. Your rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.
4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act, or any law of the State of Illinois is void.
5. Payment of Initial Franchise/Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor’s financial condition.
6. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

State Effective Dates

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

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

State	Effective Date
California	Not Registered
Florida	Different Form of FDD
Hawaii	Not Registered
Illinois	Pending
Indiana	Pending
Maryland	Not Registered
Michigan	Different Form of FDD
Minnesota	Not Registered
New York	Not Registered
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Utah	Not Registered
Virginia	Not Registered
Washington	Not Registered
Wisconsin	Pending

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

ITEM 23
RECEIPTS
(RETURN ONE COPY TO US)

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

If MOLDMAN FRANCHISOR, LLC offers you a franchise, it must deliver this disclosure document to you by electronic delivery, by mail, or by personal delivery 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.

If MOLDMAN FRANCHISOR, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the appropriate state agency listed on Exhibit C.

The franchisor is MOLDMAN FRANCHISOR, LLC located at 2607 W. 25th Street, Chicago, IL 60608. Its telephone number is 312-967-4099. The name and principal business address of the two (2) franchise sellers are Devin Renberg, Director of Operations, 2607 W. 25th Street, Chicago, IL 60608, and Greg Bukowski, Founder, 2607 W. 25th Street, Chicago, IL 60608. The telephone number for each franchise seller is 312-967-4099.

Issuance date: April 22, 2024

MOLDMAN FRANCHISOR, LLC authorizes the agents listed in Exhibit C to receive service of process for it.

This disclosure document dated April 22, 2024 includes the following Exhibits:

- Exhibit A – Franchise Agreement
- Exhibit B – Financial Statements
- Exhibit C – State Administrators/Agents for Service of Process
- Exhibit D – List of Franchisees and Former Franchisees
- Exhibit E – Table of Contents of Operations Manual

By my signature below, I acknowledge that I have received this Franchise Disclosure Document on the date below.

Date: _____

Signature of Prospective Franchisee

Print Name

You must return your signed receipt either by signing, dating and mailing it to MOLDMAN FRANCHISOR, LLC at 2607 W. 25th Street, Chicago, IL 60608, or by scanning and emailing it to Devin Renberg, Director of Operations, at devinrenberg@moldmanusa.com.

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