

FRANCHISE DISCLOSURE DOCUMENT



Waterloo Turf Franchising Co, LLC
a Texas limited liability company
11701 Bee Caves Road, Suite 180
Austin, Texas 78734
512-343-0938
www.waterlooturf.com

We offer franchises for the right to operate a comprehensive artificial turf business (each a “Waterloo Turf Business”) that offers and sells approved artificial turf and surface products and related installation, landscaping and certain maintenance services to commercial and residential customers.

The total investment necessary to begin operation of a single Waterloo Turf Business ranges from \$121,300 to \$162,500, which includes between \$70,500 and \$77,500 that must be paid to us or our affiliates. The total additional investment necessary to operate under a development agreement that requires you to develop, open and operate more than one Waterloo Turf Business franchise ranges from \$153,500 to \$233,000, which includes \$152,000 to \$230,000 that must be paid to us under a Development Agreement requiring you to open 3 to 5 Waterloo Turf Businesses.

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 the disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Tim Lovett at 11701 Bee Caves Road, Suite 180, Austin, Texas 78734, telephone: 512-343-0938 or email at tim@waterlooturf.com.

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

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

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

Date of Issuance: April 27, 2026

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 Exhibits G and H.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit I includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Waterloo Turf Business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Waterloo Turf Business franchisee?	Item 20 or Exhibits G and H list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by litigation only in Texas. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost more to litigate with the franchisor in Texas than in your own state.
2. **Short Operating History.** This Franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise with a longer operating history.
3. **Mandatory Minimum Payments.** You must make minimum annual royalty fee payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
4. **Financial Condition.** The Franchisor's financial condition as reflected in its financial statements (see Item 21), calls into question the Franchisor's financial ability to provide services and support to you.

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

DISCLOSURE DOCUMENT
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EXHIBITS:

- A – State Administrators/Agents for Service of Process
- B – Franchise Agreement (including State Addenda)
- C – Development Agreement (including State Addenda)
- D – Applicant Confidentiality Agreement and Authorization
- E – Franchise Application
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ITEM 1
THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor is Waterloo Turf Franchising Co, LLC. To simplify the Disclosure Document, Waterloo Turf Franchising Co, LLC is referred to as “Waterloo Turf,” “we,” “us,” or “our”. “You” means the person or legal entity who buys the franchise or development rights, the Franchisee or Developer. If you are a corporation, limited liability company, partnership or any other type of legal entity, certain of the provisions of the Franchise Agreement and/or Development Agreement (defined below) also will apply to, and be binding upon, certain of your owners (referred to as your “Principals”). We will require that one of your Principals speak for you (the “Controlling Principal”) and that the Controlling Principal and certain of your Principals that we designate personally guarantee, and be personally bound by, some or all of your obligations under the Franchise Agreement and the Development Agreement.

The Franchisor

We are a Texas limited liability company formed on August 8, 2024. Our principal place of business is 11701 Bee Caves Road, Suite 180, Austin, Texas 78734. We do business under our corporate name and under our trade name “Waterloo Turf”. We do not do business or intend to do business under any other name. Our agents for service of process are listed in Exhibit A.

We do not directly own or operate any Waterloo Turf Businesses as of the date of this Disclosure Document. We began offering franchises for the operation of Waterloo Turf Businesses in December 2024. As of the date of this Disclosure Document, we have sold a total of 94 franchises to 24 franchisees. We have not offered franchises in any other line of business.

Our Parents, Predecessors and Affiliates

We trace our roots back to 2021 when our founder Lance Ingram created Waterloo Turf as a sole proprietorship and began offering artificial turf products and services to residential and commercial customers in and around the Austin, Texas area. Lance created our predecessor and affiliate Waterloo Turf, LLC (“WT”) on March 5, 2021 and expanded operation of his Waterloo Turf business to San Antonio, Texas in 2023. WT was the original owner of the Marks (defined below) before assigning them to us in November 2024. WT’s principal business address is 8900 Balcones Club Drive, Austin, Texas 78750. Other than WT, we do not have any predecessors or affiliates required to be disclosed in this Disclosure Document.

Our direct parent is Waterloo Turf Franchising, Inc., a Texas corporation formed on November 11, 2024, that shares our principal business address at 11701 Bee Caves Road, Suite 180, Austin, Texas 78734.

Our indirect parent is Trivium Franchise Holdings, LLC, a Texas limited liability company formed on September 4, 2024, that shares our principal business address at 11701 Bee Caves Road, Suite 180, Austin, Texas 78734.

The Franchise Offered

We offer franchises for the right to locate, own and operate one or more Waterloo Turf Businesses that offer and sell approved artificial turf and surface products and related installation, landscaping and certain maintenance services to commercial and residential customers (“Approved Products and Services”) in an agreed geographic area (“Territory”). As of the date of this Disclosure Document, you are not required to

immediately start performing maintenance services through your Waterloo Turf Businesses, but we may make performing maintenance services mandatory in the future.

We must approve all vehicles, equipment, signage, trade dress, products, supplies and any other products and services that are used in Waterloo Turf Businesses generally (“Approved Equipment and Supplies”). Specific Approved Equipment and Supplies currently includes a Moasure 2 Pro and a measuring wheel/tape measure and you may also need a magnetic pick up sweeper, weedwhacker, power broom, ground protection boards, infill spreader, carpet kicker, wheelbarrow, shovel, landscape rake and/or plate compactor for installation and landscaping services and, if applicable, a power broom, leaf blower, backpack sprayer, hose, sand spreader, gas can, bush broom, gloves, sand infill and turf cleaner for artificial turf maintenance services, all if you don’t otherwise have access to them through your subcontractors. In the future, certain of these items will be either manufactured by us or our affiliates and sold to you or purchased by us or our affiliates from approved suppliers and resold to you.

Waterloo Turf Businesses will typically target homeowners or businesses that value home or property improvement and water conservation. Waterloo Turf Businesses are typically located in urban, suburban and rural areas where homeowners and business owners have a strong interest in maintaining and enhancing the aesthetic appeal and longevity of their property.

Waterloo Turf Businesses are characterized by a system (the “System”) which includes development guidelines, opening guidelines, operational guidelines, initial and ongoing training programs, business methods, designs, arrangements and Brand Standards for developing, opening and operating Waterloo Turf Businesses, including those pertaining to Office selection, Approved Equipment and Supplies (such as a pickup truck or van, your “Vehicle”, as further described below), Technology and Information Systems, equipment, supplies, signage and trade dress), Approved Products and Services and any other related products, services, supplies and items that are used, offered or sold in Waterloo Turf Businesses generally, methods of inventory control and requirements and policies regarding accounting and financial performance and advertising and marketing programs, all of which Franchisor may improve, further develop or otherwise modify from time to time.

The System is identified by certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including the mark “Waterloo Turf” as well as others we may authorize for use by Waterloo Turf Businesses (the “Marks”). We expect to continue to improve and further develop the System and provide new information and techniques to all franchisees. You must operate your Waterloo Turf Business according to the System as it evolves over time.

We offer franchise agreements (“Franchise Agreements”) which grant the right to operate one Waterloo Turf Business within an agreed Territory for an initial term of 10 years. Our form of Franchise Agreement is attached to this Disclosure Document as Exhibit B.

We may also offer you a Development Agreement (the “Development Agreement”), which grants you the right to enter into multiple Franchise Agreements to operate multiple Waterloo Turf Businesses within a particular geographic area (the “Development Area”). Our form of Development Agreement is attached to this Disclosure Document as Exhibit C. You must enter into a separate Franchise Agreement for each Waterloo Turf Business you establish under the terms of a development schedule attached to the Development Agreement (the “Development Schedule”). The number of Waterloo Turf Businesses to be developed under each Development Agreement varies depending on factors such as the size, income and population density of the Development Area, which will be determined before you sign your Development Agreement. You must sign the form of Franchise Agreement attached as Exhibit B for the first Waterloo Turf Business described in the Development Schedule when you sign the Development Agreement. You

must sign the then-current form of Franchise Agreement for each additional Waterloo Turf Business described in the Development Schedule.

We typically require you to sign a confidentiality agreement with us before we begin material discussions with you regarding the franchise offering. Our form of confidentiality agreement is attached as Exhibit D. We may also require you to complete a franchise application and provide us with certain information and documentation regarding you and your Controlling Principals. Our form of franchise application is attached as Exhibit E.

Prospective Waterloo Turf Business franchisees are typically newly formed entities or individuals wanting to own and operate a mobile, home or business improvement and maintenance service-based business. Prospective Waterloo Turf Business franchisees typically have some prior experience in a service-type business, but such experience is not required.

Waterloo Turf Business franchisees may offer and sell Approved Products and Services to any potential Customer that patronizes their Waterloo Turf Business, subject to applicable laws.

Market and Competition

The market for artificial turf products and services is growing driven by increasing homeowner and business owner investments in outdoor spaces, rising demand for home and business improvement and maintenance services, and growing awareness of the importance of water conservation. This growth is also supported by advancements in artificial turf products, which offer enhanced durability and aesthetic appeal.

You will compete with a variety of residential and commercial home and business improvement and maintenance businesses, from locally owned home and business improvement and maintenance businesses to larger national or chain businesses that have both retail product and service components. These businesses may compete on the basis of factors such as price, service, location and quality.

Industry Specific Laws

The home improvement and maintenance (and specifically the artificial turf industry) is regulated in the United States by federal, state, and local governments.

The Federal Environmental Protection Agency (“EPA”) requires that businesses performing renovation, repair and painting projects that disturb lead-based paint in homes, childcare facilities and preschools built before 1978 be certified by the EPA or an EPA-authorized state, use certified renovators who are trained by EPA-approved training providers and follow lead-safe work practices. You should investigate whether this requirement will apply to your Waterloo Turf Business. Additionally, federal, state, and local laws, rules, regulations and ordinances may apply to the operation of a Waterloo Turf Business, including those which: (a) set standards pertaining to employee health and safety; and (b) protect the environment by, for example, regulating use, storage and disposal of wastewater, airborne concentrations of lead, lead paint removal and disposal of hazardous chemicals and waste. You should investigate whether there are regulations and requirements that may apply in the geographic area in which you are interested in locating a Waterloo Turf Business, and you should consider both their effect and the cost of compliance.

You may be required to obtain a contractor’s license in certain states. It is your sole obligation to comply with all state regulations with respect to contractor licensing in the states that require licensing. It will be your responsibility to ascertain and comply with all federal, state and local governmental requirements. We

do not assume any responsibility for advising you on these regulatory matters. Some cities or other local government agencies impose local licensing requirements.

You will also be subject to federal and state laws and regulations that apply to businesses generally, including rules and regulations involving employment practices, wage and hour laws, immigration and employment laws. You must review federal minimum wage and overtime laws, as well as similar laws within your state to ensure compliance with labor and wage laws currently in existence and those that may later be adopted. You should consult with your attorney concerning these and other local laws, rules and regulations that may affect the operation of your Waterloo Turf Business.

Many of the laws that apply to business generally, like the Americans with Disabilities Act, federal wage and hour laws, and the Occupation, Health and Safety Act, also apply to service-based businesses. Your Waterloo Turf Business will also be subject to compliance with applicable zoning, land use and environmental regulations as well as federal and state minimum wage laws governing such matters as working conditions, overtime and tip credits and other employee matters.

We recommend that you check with your state and local agencies to determine which laws apply to the operation of a Waterloo Turf Business in your area. You should consider these laws and regulations when evaluating your purchase of a franchise.

ITEM 2 BUSINESS EXPERIENCE

Tim Lovett, Chief Executive Officer

Tim has served as our Chief Executive Officer since our formation in August 2024, based in Austin, Texas. Tim has also served as an Operating Partner for Trivium Global, a Private Equity Sponsor since July 2022 in Austin, Texas. From October 2023 to July 2024, Tim served as the VP of Operations for ResiBrands in Austin, Texas. From August 2019 to March 2022, Tim served as a Sales Director for WeWork in Austin, Texas.

Lance Ingram, Founder

Lance has served as our Founder since our formation in August 2024, based in Austin, Texas and has served as Founder and President of our predecessor and affiliate Waterloo Turf, LLC since March 2021. In June 2016, Lance co-founded Magnolia Turf of Austin, a turf installation company based in Austin, Texas, which he operated until August 2019. From May 2020 to December 2021, Lance was a Territory Sales Representative for Stimwave in Austin, Texas. From August 2019 to May 2020, Lance was a Territory Sales Representative for PainTEQ in Austin, Texas.

Dr. Ben Peays, Chief Financial Officer

Ben has served as our Chief Financial Officer since our formation in August 2024, based in Austin, Texas. Ben has also served as Chief Financial Officer for Stain and Seal Experts Franchising, LLC since June 2024, in Austin, Texas. From June 2015 to present, Dr. Peays has served as Chief Executive Officer of BlackBox in Austin, Texas. From October 2023 to the present, Dr. Peays has served as a Partner at Trivium Global in Austin, Texas. From June 2019 to the present, Dr. Peays has served as a Partner at GlorTex in Austin, Texas. From May 2015 to the present, Dr. Peays has served as Managing Director at BLESS in Austin, Texas. Dr. Peays served as Chief Executive Officer of Summer Moon Franchising LLC from March

2020 to April 2022 in Austin, Texas and Chief Executive Officer of Summer Moon Holdings, LLC from March 2020 to April 2022 in Austin, Texas. From December 2007 to May 2019, Dr. Peays served as Executive Director of The Gospel Coalition in Austin, Texas.

Taylor Blom, Vice President of Franchise Development

Taylor has served as our Vice President of Franchise Development since September 2025, based in Austin, Texas. Taylor also serves as Co-Founder of Next Door Photos since October 2016, based in Holland, Michigan. Taylor also served as Fractional Chief Growth Officer for Surv from January 2024 to December 2024, based in Newport, Rhode Island. Since April 2024, Taylor has served as a Franchise Owner of Surv Lakeshore, based in Holland, Michigan.

ITEM 3 LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4 BANKRUPTCY

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

ITEM 5 INITIAL FEES

Franchise Agreement

Initial Franchise Fee

The initial franchise fee for your Waterloo Turf Business is \$59,000 and is payable in full upon execution of the Franchise Agreement, unless you sign multiple Franchise Agreements at that same time or you sign a Development Agreement with us to open multiple Waterloo Turf Businesses, in which case the initial franchise fee will be \$49,000 for your second Waterloo Turf Business, \$44,000 for your third Waterloo Turf Business and \$39,000 for your fourth and each additional Waterloo Turf Business purchased at the same time or through a Development Agreement. The initial franchisee is fully earned and is not refundable under any circumstances.

We also offer a 10% discount on your initial franchise fee for your first Waterloo Turf Business if (1) you qualify for the International Franchise Association's VetFran program, (2) you are a member of the clergy, (3) your Controlling Principal is under 30 years old at the time you purchase your Waterloo Turf Business, or (4) your Controlling Principal played at least one full season for an NCAA sports team (only one discount available per Waterloo Business).

If we permit you to, and you opt to, also offer and sell artificial turf maintenance services from the date you open your Waterloo Turf Business, then you will pay us an additional marketing development fee of \$1,000 when you sign your Franchise Agreement.

Initial Training Fee

In connection with your first Waterloo Turf Business, you will pay to us a \$2,000 initial training fee (“Initial Training Fee”) for each member of your Training Team (defined in Item 11) who attends our initial training program in Austin, Texas (“Initial Training Program”). We require your Controlling Principal and any then hired General Manager attend the Initial Training Program. We will also train your Controlling Principal’s spouse for no additional fee. You must pay the Initial Training Fee at least 5 days before your Training Team arrives for our initial training program. The Initial Training Fee is uniformly imposed for all franchisees.

If you request more persons to be trained or your Training Team requires additional training beyond our standard initial training program, we can require payment of the Initial Training Fee for each additional person or we may charge you a lesser additional training fee (currently \$500 per day per person, plus our out-of-pocket expenses).

You are expected to provide initial training to your personnel for your second and each additional Waterloo Turf Business, but we may require you to receive or we may otherwise elect to provide you full initial training (in which case you will pay the Initial Training Fee for such additional Waterloo Turf Business) or we may require you to receive or we may otherwise elect to provide you some lesser amount of initial training, in which case you will pay us our then current additional training fee (currently an amount equal to \$500 per day per person plus our costs, if any) for such additional initial training.

Opening Support Fee

In connection with the opening of your first Waterloo Turf Business, you will pay to us a \$4,000 opening support fee (“Opening Support Fee”) to cover first the cost for 1 of our operations representatives to provide you with on-site pre-opening and opening training, supervision and assistance for a total of approximately 3 days immediately before your scheduled opening date and after the Waterloo Turf Business opens for business and then second the cost for 1 of our operations representatives to provide you with 1 to 2 days of additional post-opening support approximately 30 days after your actual opening date. The Opening Support Fee is due at least 5 days before we travel to your Waterloo Turf Business for the first time and is not refundable under any circumstances. The Opening Support Fee is uniformly imposed for all franchisees. This Opening Support Fee is due only in connection with your first Territory.

You are expected to provide your own opening support for your second and each additional Waterloo Turf Business, but we may provide some lesser amount of opening support upon request or if we deem it necessary, in which case you will pay us our then current additional training fee (currently an amount equal to \$500 plus our costs, if any) for such additional training.

Marketing Development Fee

You must pay us a Marketing Development Fee of \$5,000 at least 30 days before you open your Waterloo Turf Business. We use the Marketing Development Fee to facilitate your online presence on our website, initial photography and content and social media set up. The Marketing Development Fee is uniformly imposed and is not refundable once paid.

Development Agreement

If you sign the Development Agreement, you must pay us a Development Area Rights Fee at signing equal to the sum of the full Initial Franchise Fees due for the total number of Waterloo Turf Businesses you will develop under the Development Agreement (based on \$59,000 for the first Waterloo Turf Business, \$49,000 for the second Waterloo Turf Business, \$44,000 for the third Waterloo Turf Business and \$39,000 for the fourth and each additional Waterloo Turf Business developed).

By way of example, the Development Area Rights Fee for a Development Agreement requiring development of 3 Waterloo Turf Businesses would be \$152,000 and the Development Area Rights Fee for a Development Agreement requiring development of 5 Waterloo Turf Businesses would be \$230,000. In all cases, we will credit the full amount of the Development Area Rights Fee you actually pay to us to the Initial Franchise Fees you owe to us when you sign individual Franchise Agreements under the Development Agreement.

We do not require any specific minimum or maximum number of Waterloo Turf Businesses to be developed under the Development Agreement, but we typically require all Waterloo Turf Businesses to open within a single year.

If you have signed a Development Agreement with us, you will normally sign the Franchise Agreement for your first Waterloo Turf Business either before you appear for initial training for your first Waterloo Turf Business. You will sign the Franchise Agreements and pay the initial franchise fees for the second and each additional Waterloo Turf Business to be developed under the Development Agreement at least 90 days before the Required Opening Date for each additional Waterloo Turf Business (subject again to any available credit from the Development Area Rights Fee).

The Development Area Rights Fee is uniformly imposed and is not refundable under any circumstances.

ITEM 6 OTHER FEES

Type of Fee (1)	Amount	Due Date	Remarks
Royalty Fee	6% of Gross Sales per Accounting Period, subject to payment of the Minimum Annual Royalty Fee (see Note 2) or to the Large Franchisee Royalty Break (See Note 3).	Payable every Accounting Period by automatic debit from your account on the 3rd day following each Accounting Period with respect to your Gross Sales for the preceding Accounting Period, except that the Minimum Annual Royalty Fee make up payment (if any) will be payable	See Note 1 for the definition of “Accounting Period” and “Gross Sales”. See Note 2 for information on the Minimum Annual Royalty Fee. See Note 3 for information on the potential for reduced Royalty Fees if you and your affiliates are operating multiple Turf Waterloo Businesses and exceed certain aggregated Gross Sales during any Agreement Year (defined in Note 2).

Type of Fee (1)	Amount	Due Date	Remarks
		with 30 days of the end of each Agreement Year.	
Local Ad Expenditure	Currently 3% of Gross Sales, but we reserve the right to require a Local Ad Expenditure of up to 5% of Gross Sales	As incurred, but to be reported to us on or before the 3rd day after each calendar month with respect to Local Ad Expenditures for the preceding calendar month.	This is an amount to be spent directly by you on approved local advertising expenditures.
National Brand Fund Contributions	Currently 2%, but we reserve the right to increase the National Brand Fund Contribution up to 3% of Gross Sales	Payable every Accounting Period by automatic debit from your account on the 3rd day following each Accounting Period with respect to your Gross Sales for the preceding Accounting Period.	This is an amount to be paid to us for deposit in the National Brand Fund.
Grand Opening Ad Expenditure	Up to \$10,000	As incurred.	You must expend the Grand Opening Ad Expenditure amount to promote your Waterloo Turf Business within the 90 day period after your Waterloo Turf Business opens for business.
Ad Agency Fees	Estimated to be \$1,000 a month, but fees are set by third-party ad agency.	As incurred.	Generally payable directly to our then current ad agency.
Technology Fee	An amount we set annually for each calendar year based on our then current estimated costs, which is paid each Accounting Period; currently \$600 per calendar month per Waterloo Turf Business, but in no case greater than \$1,200 per month during the initial term of the Franchise Agreement.	Payable within 3 days of the end of every calendar month for the preceding calendar month.	The Technology Fee is for technology-based innovation expenditures that we deem valuable investments for the System, which may include new Technology and Information Systems, the Waterloo Turf Business Operating System, mobile training and operational performance software, cloud-based franchise-management solutions, IT phone support and database and e-learning solutions loyalty programs, Customer

Type of Fee (1)	Amount	Due Date	Remarks
			surveys and other operational functions for your Waterloo Turf Business.
Marketing Development Fee to perform Artificial Turf Maintenance Services	\$1,000	Payable at least 15 days before you begin offering an selling artificial turf maintenance services.	Only payable if you begin offering an selling artificial turf maintenance services in your already open and operating Waterloo Turf Business. We do not currently require you to offer artificial turf maintenance services through your Waterloo Turf Business.
Purchases from us	The then current price charged to franchisees for any Approved Equipment and Supplies that we sell to you for your Waterloo Turf Business.		We are currently only an approved supplier of hats to our franchisees, but we or our affiliates may in the future be approved suppliers for other Approved Equipment and Supplies or other Approved Products and Services you need for your Waterloo Turf Business.
Extension Fee (Development Agreement)	\$2,500 (per 75-day extension)	Upon demand as a condition to an extension under the Development Agreement.	You may obtain a one-time, 75-day extension of your time to open a Waterloo Turf Business under the Development Schedule if you meet certain conditions, including payment of the Extension Fee.
Convention Fees	Set before each convention or meeting based on anticipated actual costs, but never more than \$1,500 per attendee per convention or meeting.	Upon demand.	Payable to offset a portion of our costs in organizing and holding annual or other periodic conventions or meetings.
Maintenance and Alteration	As needed to your Waterloo Turf Business, including your Office and Vehicle.	Work to be done within 60 days of notice from us.	Paid to third parties in amount and at times agreed on with third party
Transfer Fee (Franchise Agreement)	An amount equal to the greater of \$10,000 or 20% of our then current initial franchise fee plus the actual amount of any third-party broker or referral fees and costs (if any).	Before consummation of transfer.	Payable when you sell the assets of your franchise or a controlling ownership interest in the franchise or when you sell all of your development rights or a controlling interest in yourself.
Transfer Fee (Development Agreement)	An amount equal to the sum of \$10,000 multiplied by the number of remaining Waterloo Turf Business to be opened under your Development Agreement plus the actual amount of any third-party broker or referral fees and costs (if any).	Payable before transfer.	Payable when you sell your development rights. No charge if transfer is to a corporation you solely control.
Renewal Fee	An amount equal to the greater of \$10,000 or 20% of our then current initial franchise fee.	On entering into a successor or renewal franchise agreement, on expiration of the	The Renewal Fee is in addition to any Waterloo Turf Business upgrade costs that may be required.

Type of Fee (1)	Amount	Due Date	Remarks
		Franchise Agreement.	
Initial Training for Additional Waterloo Turf Businesses	Either (i) the full \$2,000 Initial Training Fee if we require or agree to provide full initial training or (ii) our then current additional training fee (currently an amount equal to \$500 per day per person plus our actual costs, if any, but never more than \$1,000 per person per day plus our actual costs, if any) if we require or agree to provide some lesser additional initial training.	Before such additional training occurs.	Payable to us only if we require you to receive or you request and we agree to provide additional initial training is necessary for your second or other Waterloo Turf Businesses.
Additional Training	If we require you to receive or you request and we agree to provide additional training, you will pay us a fee for such additional training is due to us (currently an amount equal to \$500 per day per person plus our actual costs, if any, but never more than \$1,000 per person per day plus our actual costs, if any).	Before such additional training occurs.	Payable to us only if we require you to receive or you request and we agree to provide additional training, including if you have replacement trainees.
Required Education/ Training Programs	If we require your attendance at education programs/training sessions sponsored or held by us, we may charge you a fee for such attendance.	Before or at beginning of said program/seminar.	Payable to us or seminar/ training program sponsor.
FF&E Upgrades	An amount determined by us or your third-party suppliers based on your satisfying our then current furniture, fixtures and equipment standards.	As incurred.	We may require you to incorporate new or upgraded furniture, fixtures and equipment into your Waterloo Turf Business periodically based on our then current minimum standards.
Vehicle Upgrades	An amount determined by us or your third-party suppliers based on your satisfying our then current Vehicle standards.	As incurred.	You pay us or 3 rd party suppliers as determined. At our discretion, you will need to update the interior or wrap, magnet and/or decal signage on your Vehicles for required marketing efforts (in all cases at least one Vehicle must have a wrap before opening your Waterloo Turf Business). You must replace the wrap, magnet and decal on your Vehicles approximately every 4 years.
Service Costs for the Vehicle	No set fees; fees to be determined and quoted at the time of service based on type of service rendered.	As incurred.	We are not now, but may in the future be an authorized maintenance or service provider for your Vehicle. If so, we will charge a fee for our services based on the type of service rendered if your Vehicle is

Type of Fee (1)	Amount	Due Date	Remarks
			outside any applicable warranty period or the service is not covered by warranty.
Prospectus Review Fee	Reimbursement for our actual costs.	As incurred.	Payable if you or your Principals go public or raise monies through a stock prospectus.
Indemnification Costs	Reimbursement of our actual defense costs we incur and payment of judgments against us arising from your conduct.	After notice from us.	Only applies if a claim is made against us based on your conduct.
Enforcement Costs	Actual fees and costs incurred.	On demand.	Payable only if we incur fees and costs to enforce the Franchise Agreement or Development Agreement after your breach.
Audit and inspection costs	Our reasonable expenses including wages, and any professional fees.	On demand.	We have the right to audit or inspect your Waterloo Turf Business, and charge you our costs if you are not in compliance or we have to re-audit or re-inspect to confirm compliance after a default.
Reimbursement of Insurance Costs	Premiums on required insurance we pay on your behalf.	Immediately on notice from us.	Only applies if you fail to obtain required insurance and we elect to pay the premiums for your insurance.
Interest and Late Payments	1.5% of past-due amounts per calendar month or maximum rate allowed by law, whichever is less; also our collection costs. Late fee is \$50.	Immediately on receipt of claim from us.	Applies only on past-due amounts. Note: 10% per annum is the highest interest rate allowed in California.
NSF Fees	\$100 per Check or ACH failure	When billed.	Payable if we attempt to collect payment from you and there are not sufficient funds for payment.
Non-Compliance Fees	\$1,000 to \$4,000 per contractual deviation or default.	When billed.	Due if you deviate from any contractual requirement, including Brand Standards. Non-Compliance Fees compensate us for administrative and management costs, not for our damages due to your default. The fee is \$1,000 for the first violation, \$2,000 for the first repeat violation, and \$4,000 for second and each subsequent repeat violation on one or more consecutive, subsequent visits to your Waterloo Turf Business.
Liquidated Damages for Early Termination (Franchise Agreement)	An amount equal to the average of the Royalty Fees paid (or payable) over the past 12 months times the lesser of 24 or the number of full calendar months remaining in the term of the	Within fifteen days of demand.	Payable if we terminate your Franchise Agreement for cause, or if you terminate without satisfying your conditions for termination.

Type of Fee (1)	Amount	Due Date	Remarks
	Franchise Agreement at the time of termination.		
Liquidated Damages for Breach of Post-Termination Obligations (Franchise Agreement)	200% of the Continuing Fees that you would otherwise have been obligated to us with respect to the operations of your Waterloo Turf Business if still a franchisee.	Within fifteen days of demand.	Payable if you breach your post-termination obligations after the expiration or earlier termination of the Franchise Agreement.
Liquidated Damages for Breach of Non-Competition Covenant (Franchise Agreement)	A monthly fee equal to 15% of the competing businesses' revenues.	Within fifteen days of demand.	Payable if you breach your noncompetition covenants.

Except as otherwise indicated above, all fees and expenses described in this Item 6 are uniformly imposed by, and payable to, us and are non-refundable. Except as listed above, there are no other fees under Franchise Agreements or Development Agreements due or payable to us, or which we impose or collect in whole or in part on behalf of any third party.

Notes:

1. Under the Franchise Agreement: "Accounting Period" means each 2 calendar week period or such other period as we designate. We may change the Accounting Period on 30 days' written notice to you. You must adopt our fiscal year. "Gross Sales" means the aggregate of all revenue and income of Franchisee from whatever source derived, whether or not collected by Franchisor or Franchisee and whether it is in the form of check, cash, credit or otherwise, arising out of, in connection with or relating to Franchisee's Waterloo Turf Business including, without limitation, (a) income from the sale of any Approved Products and Services sold from or through the Waterloo Turf Business; (b) income from any other products or services provided to Customers; and (c) all proceeds from any business interruption insurance, but excluding i) all refunds, cancellation fees and discounts made in good faith to a Customer; ii) any sales, goods and services and equivalent taxes which are collected by Franchisee for or on behalf of any Governmental Authority and actually remitted to such Governmental Authority; iii) tips paid by Customers to Waterloo Turf Business personnel; and iv) the value of any gift card, coupon, voucher or other allowance authorized by Franchisor and issued or granted to Customers of Franchisee's Waterloo Turf Business which is received or credited by Franchisee in full or partial satisfaction of the price of any Approved Products and Services offered in connection with Franchisee's Waterloo Turf Business. We reserve the right to institute policies in the Brand Standards Manuals or otherwise in writing and from time to time, regarding the inclusion in Gross Sales of any pre-paid goods or services (including, without limitation, gift cards and gift certificates) and the delivery and redemption thereof.

2. You must pay to us a Royalty Fee of 6% of your Gross Sales, but if after your first Agreement Year (defined below), your annualized Gross Sales during any Agreement Year fall below the minimum annualized Gross Sales amount in the below chart then within 30 days following the end of the applicable Agreement Year you must pay to us an additional amount of Royalty Fees to provide us with the same amount of Royalty Fee revenue that we would have received if you had reached the minimum annualized

Gross Sales during the relevant Agreement Year (the “Minimum Annual Royalty Fee”).

Agreement Year	Minimum Annualized Gross Sales During the Agreement Year
Agreement Year 1	None
Agreement Year 2	\$250,000
Agreement Year 3	\$320,000
Agreement Year 4 through the remainder of the initial term and any renewal term	\$400,000

We define an Agreement Year as each 12-month period during the term of the Franchise Agreement, beginning on the first day of the month following the opening date of your Waterloo Turf Business and continuing until the expiration or termination of the Franchise Agreement. A partial Agreement Year between the end of the last full Agreement Year and the termination or expiration of this Agreement will also constitute a separate Agreement Year.

In all cases, the Royalty Fee, including any Minimum Annual Royalty Fee, is paid on a per Waterloo Turf Business/Territory basis with no consolidation of multiple Waterloo Turf Businesses/Territories.

Failure to timely pay any Minimum Annual Royalty Fee is a curable default under your Franchise Agreement.

3. We offer a Royalty Fee tiered reduction to large Waterloo Turf Business franchisees whose Gross Sales for one or more Waterloo Turf Businesses exceed certain revenue levels during any Agreement Year (“Large Franchisee Royalty Break”). Specifically, if you and your affiliates (if under common control by the same or substantially the same ownership group and Controlling Principal) operate one or more Waterloo Turf Businesses that reach one or more of the below incremental Total Annual Gross Sales levels in any Agreement Year, then we will reduce the standard Royalty Fee applied to such incremental Gross Sales for such Waterloo Turf Businesses as follows (provided that the Gross Sales of Waterloo Turf Businesses that are subject to the Minimum Annual Royalty Fee in any given Agreement Year will not be included when calculating total Annual Gross Sales for the aggregated Waterloo Turf Businesses):

Total Annual Gross Sales per Agreement Year for the Waterloo Turf Businesses	Royalty Fee (applied to incremental Gross Sales each Agreement Year)
\$0 to \$1,500,000	6%
\$1,500,001 to \$3,000,000	5.5%
\$3,000,001 to \$5,000,000	5%
\$5,000,001 to \$10,000,000	4.5%
\$10,000,001 and above	4%

By way of example, if you and your affiliates reach \$1,500,00 in Gross Sales for your Waterloo Turf Business(es) in the middle of the 10th month of an Agreement Year, the Royalty Fee on your Gross Sales for the remainder of the 10th month of the Agreement Year and for the 11th and 12th months of the Agreement

Year will be assessed as 5.5% of your Gross Sales for your Waterloo Turf Business(es).

**ITEM 7
ESTIMATED INITIAL INVESTMENT**

Your Estimated Initial Investment

Chart 1

YOUR ESTIMATED INITIAL INVESTMENT FOR A SINGLE FRANCHISE					
Item	Estimated Cost		Method of Payment	When Due	To Whom Paid
	Low	High			
Franchise Fee (1)	\$59,000	\$59,000	Cashier's Check or EFT as arranged	Upon Signing Franchise Agreement	Us
Leased Office (2)	\$0	\$500	As arranged	At signing of lease	Landlord
Vehicle Lease and Wrap (3)	\$2,500	\$6,000	Cashier's Check, EFT or as arranged	Before outfitting can begin, but not later than 60 days after Franchise Agreement is signed	Us, Approved Suppliers and/or Financing Company
Installation Equipment and Office Equipment and Supplies (4)	\$1,550	\$6,500	Cashier's Check, EFT or as arranged	Before outfitting can begin, but not later than 60 days after Franchise Agreement is signed	Us, Approved Suppliers and/or Financing Company
Initial Training Fees and Living Expenses While Attending Initial Training (5)	\$3,000	\$5,500	As Arranged	As Incurred	Airlines, Hotels, Waterloo Turf Businesses
Opening Support Fee (6)	\$4,000	\$4,000	Cashier's Check or EFT as arranged	As Incurred	Us
Technology and Information Systems (7)	\$500	\$1,000	As Arranged	As Incurred	3rd Party

YOUR ESTIMATED INITIAL INVESTMENT FOR A SINGLE FRANCHISE					
Item	Estimated Cost		Method of Payment	When Due	To Whom Paid
	Low	High			
Initial Marketing Materials; Marketing Development Fee; Grand Opening Ad Expenditure (8)	\$18,500	19,500	As Arranged	As Incurred	Us, 3rd Party suppliers
Insurance (3 Months) (9)	\$1,500	\$3,000	As Arranged	As Incurred	Insurance Companies
Permits and Licenses (10)	\$250	\$2,000	As Arranged	As Required	Government Agencies
Professional Fees (11)	\$500	\$2,500	As Arranged	As Arranged	3 rd party suppliers
Artificial Turf Maintenance Services Line of Business (12)	\$0	\$13,000	As arranged	As Arranged	Us and 3 rd party suppliers
Additional Funds (3 months) (13)	\$30,000	\$40,000	As Arranged	As Necessary	You Determine
TOTAL FOR A SINGLE FRANCHISE (14)	\$121,300	\$162,500			

Chart 2

YOUR ESTIMATED INITIAL INVESTMENT FOR AN AREA DEVELOPMENT AGREEMENT					
Estimated Cost	Estimated Cost	Estimated Cost	Estimated Cost	Estimated Cost	Estimated Cost
Development Area Rights Fee (15)	\$152,000	\$230,000	Cashier's Check or EFT as arranged	Upon Signing Development Agreement	Us
Development Agreement Training (16)	\$500	\$1,500	As Arranged	As Necessary	Airlines, Hotels, 3 rd Parties
Additional Funds – 3 months (17)	\$1,000	\$1,500	As Arranged	As Necessary	You Determine

TOTAL FOR AN AREA DEVELOPMENT AGREEMENT	\$153,500	\$233,000			
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NOTES TO CHARTS 1 AND 2:

In general, none of the expenses listed in the above charts are refundable, except any security deposits you must make may be refundable. We do not currently offer financing for any portion of your initial investment ourselves, although we may advise you of various finance sources that may be available to you.

1. Initial Franchise Fee. The initial franchise fee for your first Waterloo Turf Business is \$59,000.

2. Office. We expect you to maintain your Office in your home, but you may elect to maintain a separate Office. Local law may require that your Office be located in a commercial (non- residential) area. You are responsible for determining if there are any requirements regarding the location of your Office. If you lease space, you will generally be required to pay first and last month's rent, plus a security deposit, at the time you sign the lease. In most cases, the terms and conditions of all agreements relating to the purchase, lease, and alteration of any Office will be negotiated solely by you; however, we may require you to incorporate certain provisions into your lease.

3. Vehicles. You must use a fully wrapped and outfitted Vehicle (defined in Item 7) to travel to your Customers' locations. Franchisees initially only need 1 Vehicle, but may add other Vehicles over time as your Waterloo Turf Business grows. We do not currently specify any specific make or model of Vehicle, but you must have either a small wrapped pickup truck or wrapped van for the first Vehicle. All Vehicles must be no more than 3 years old, in good condition at the time Vehicle wrapping occurs, free of noticeable dents or damage. You may use a Vehicle you currently own, if we determine, in our sole discretion, that it meets our minimum specifications and we give our consent. The low end of the above estimates reflects your prior ownership of a Vehicle that needs to be wrapped. The high end of the above estimate represents the costs of a Vehicle lease deposit, 3 months of lease payments and the cost of wrapping the Vehicle. If you decide to purchase a new or used Vehicle, your costs will be substantially more, and could range from \$12,500 to \$35,000.

4. Installation Equipment and Office Equipment and Supplies. This line item includes all non-Vehicle and non-Technology and Information Systems Approved Equipment and Supplies necessary to stock your Waterloo Turf Business before opening. Before you open your Waterloo Turf Business, you must purchase installation equipment, including a Moasure 2 Pro and a magnetic pick up sweeper, measuring wheel/tape measure. You may also need to purchase a weedwhacker, power broom, ground protection boards, infill spreader, carpet kicker, wheelbarrow, shovel, landscape rake, and/or plate compactor if you don't otherwise have access to them through any subcontractor. Office equipment and supplies includes general office items as well as marketing materials and uniforms needed for the operation of your Waterloo Turf Business.

5. Initial Training Fees and Living Expenses While Attending Initial Training. We provide initial training at our home office in Austin, Texas for your Training Team (consisting of your Controlling Principal and any then hired General Manager). You must pay us the Initial Training Fee for each member of the Training Team at least 5 days before your Training Team arrives for our initial training program,

except that we will train your Controlling Principal's spouse for no additional fee. You must pay for your Training Team's expenses while attending initial training, including travel, meals, lodging, personal expenses and wages. The total cost will vary depending on the number of people attending, how far you travel and the type of accommodations you choose. We base our estimate assuming 1 to 2 people will attend 4 days of initial training. If you request more persons to be trained or your Training Team requires additional training beyond our standard initial training program, we can require payment of the Initial Training Fee for each additional person or we may charge you a lesser additional training fee (currently \$500 per day per person, plus our out-of-pocket expenses).

6. Opening Support Fee. We will provide you with approximately 3 days of on-site pre-opening and opening training, supervision and assistance at your Waterloo Turf Business immediately before your scheduled opening date and after the Waterloo Turf Business opens for business and then we will provide you with 1 to 2 days of additional post-opening support approximately 30 days after your actual opening date. The cost is covered by the Opening Support Fee payable at least 5 days before our representative first travels to your Waterloo Turf Business. If you request and we provide additional training personnel or stay for additional days, you will pay us the per diem fee then being charged to franchisees generally for pre-opening and post-opening assistance, in addition to payment of any expenses incurred by our representative(s), such as costs of travel, lodging, meals and wages. The current per diem fee is \$500 per day per person.

7. Technology and Information Systems. You must have a computer system, cell phone and certain other technology and information systems (your Technology and Information Systems – See Item 11). The low estimate assumes that you have a suitable computer and cell phone available to you before you purchase the franchise. The high estimate assumes you must purchase a new computer and/or cell phone.

8. Initial Marketing Materials; Marketing Development Fee; Grand Opening Ad Expenditure. You will purchase certain initial marketing materials (hats, uniforms, materials etc.) costing approximately \$3,500 to \$4,500 either from us or our then-current third party supplier. You will also pay to us or our third-party supplier a \$5,000 Marketing Development Fee when you sign your Franchise Agreement to set up your website and initial marketing channels. Finally, you will have to spend a minimum of \$10,000 on your Grand Opening Ad Expenditure within the 90 day period after your Waterloo Turf Business opens for business.

9. Insurance. Factors that may affect your cost of insurance include location of the Waterloo Turf Business, your driving records, the size of your Vehicle, the amount and type of equipment and supplies in your Waterloo Turf Business and other factors. Insurance premiums may be payable monthly, quarterly, semi-annually or annually, depending on the insurance company's practices. You must provide proof of required insurance before your Vehicle can leave the dealership where you purchased or leased it, and before your Vehicle is delivered.

10. Permits and Licenses. You must research the kinds of permits and/or licenses you need to maintain and to obtain those permits and/or licenses before you begin operating the Waterloo Turf Business.

11. Professional Fees. You may wish to consult with an accountant or other business advisors, or retain an attorney to advise you about the franchise opportunity and to ensure that you comply with all applicable laws in any jurisdiction where you will operate the Waterloo Turf Business.

12. Artificial Turf Maintenance Services. As noted in Item 1, offering and selling artificial turf maintenance services is currently an optional line of business in your Waterloo Turf Business. If you commence offering and selling artificial turf maintenance services, we expect you will have initial

investment costs that include vehicle lease & wrap (\$2,500 to \$6,000), additional equipment and supplies (\$3,000 to \$5,000), your marketing development fee (\$1,000) and potential additional training costs (\$0 to \$1,000).

13. Additional Funds. You may need additional funds or working capital to support ongoing expenses, such as payroll (if you hire employees) or marketing expenses, if these costs are not covered by sales revenue for your first 3 months of operation. This is only an estimate and there is no guarantee that additional working capital will not be necessary during this start-up phase or after. You will need capital or you may obtain a line of credit based on your creditworthiness. In compiling this chart, we relied on our experience franchising and opening new Waterloo Turf Businesses in 2025 and early 2026 and on the experience of our founder Lance Ingram and his experience with WT developing and operating the first Waterloo Turf Business in Austin, Texas beginning in 2021 and with a prior artificial turf business dating back to 2016.

14. Total. This total is an estimate of your initial investment and the expenses you will incur during the first 3 months of operations. Other than Office costs in Note 2, we have not included any leasehold improvements or real estate costs since we anticipate that you will be operating the Waterloo Turf Business from a home office or other business location that likely does not require any Trade Dress or material furniture or fixtures expenditures. If local zoning does not permit you to operate from your home, you may need to include the cost of a separate Office.

15. Development Agreement. If you enter into a Development Agreement, you will be charged a Development Area Rights Fee equal to the sum of the full Initial Franchise Fees due for the total number of Waterloo Turf Businesses you will develop under the Development Agreement (based on \$59,000 for the first Waterloo Turf Business, \$49,000 for the second Waterloo Turf Business, \$44,000 for the third Waterloo Turf Business and \$39,000 for the fourth and each additional Waterloo Turf Business developed). The estimated low column of the chart shows the Development Area Rights Fee for a Development Agreement with a Development Schedule that requires you to develop 3 Waterloo Turf Businesses. The estimated high column of the chart shows the Development Area Rights Fee you would pay when signing a Development Agreement with a Development Schedule that requires you to develop 5 Waterloo Turf Businesses. In all cases, we will credit the full amount of the Development Area Rights Fee you actually pay to us to the Initial Franchise Fees you owe to us when you sign individual Franchise Agreements under the Development Agreement.

16. Development Training under Development Agreement. You are solely responsible for the salaries of your Controlling Principal and any other representatives who travel to Austin, Texas for our optional one-day development training, including your travel expenses, room, board and wages when attending development training.

17. Additional Funds under Development Agreement. Because your primary obligations under the Development Agreement are to develop Waterloo Turf Businesses under Franchise Agreements and you will likely sign the first Franchise Agreement when you sign the Development Agreement and incur costs under the Franchise Agreement as you develop your first Waterloo Turf Business, your initial investment in connection with the Development Agreement itself consists of your Development Area Rights Fee, your development training costs plus any additional professional and administrative fees and expenses related to reviewing and signing the Development Agreement. However, an area developer will incur all the costs associated with establishing each Waterloo Turf Business as set forth in Chart 1 above.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

General Requirements

You must acquire your Approved Equipment and Supplies and all Approved Products and Services to be used in your Waterloo Turf Business according to the standards and specifications established by us ("Brand Standards"), and as contained in the Franchise Agreement and Brand Standards Manual. We may modify the standards and specifications occasionally. We will promptly notify you of any such modifications to the Brand Standards. We formulate and modify these Brand Standards based on research, industry trends and our general business plan.

Additionally, you must maintain your Approved Equipment and Supplies used in your Waterloo Turf Business in good order and repair, and you must promptly replace your Approved Equipment and Supplies as they become worn, damaged, obsolete, out of style or mechanically impaired and when offered or applicable, enter into preventative maintenance programs as further described in the Brand Standards Manual.

The purpose of these requirements is to establish quality control standards for the items used in the development and operation of your Waterloo Turf Business and to protect, maintain and promote the product and service consistency, reputation and goodwill of Waterloo Turf Businesses.

You must purchase, lease, stock and use only Approved Equipment and Supplies and also offer and sell only Approved Products and Services that meet or exceed the Brand Standards we specify.

You must purchase or obtain your Approved Equipment and Supplies and all Approved Products and Services from an approved source that we designate (which may be WT, us or our other affiliates), and exclusively offer and sell only Approved Products and Services that we designate.

Your Vehicle

You must obtain and maintain at least one fully wrapped and outfitted Vehicle to travel to your Customers' locations. Most franchisees initially only need 1 Vehicle, but may add other Vehicles over time as the Waterloo Turf Business grows, including if you have a sales representative. Any person who travels to a Customer location must do so in a fully-wrapped Vehicle. We do not sell you your Vehicle or currently specify any specific make or model of Vehicle, but you must have either a small wrapped pickup truck or wrapped van for the first Vehicle. We currently require you to use Capital Wraps to wrap all Vehicles. All Vehicles must be no more than 3 years old, in good condition at the time Vehicle wrapping occurs, free of noticeable dents or damage. You may use a Vehicle you currently own, if we determine, in our sole discretion, that it meets our minimum specifications and we give our consent, and it is properly wrapped. You must maintain your Vehicle in good working order, cleanliness and appearance and promptly repair any visible exterior damage, including but not limited to, dents and scratches.

Required Purchases from Us or Our Affiliates

As of the date of this Disclosure Document, neither we nor our predecessor and affiliate WT are the sole vendor for any proprietary Approved Equipment and Supplies or for any Approved Products and Supplies, but we are an approved vendor for certain opening marketing order materials (including hats), and we reserve the right to be a sole supplier or approved vendor for other Approved Equipment and Supplies or

for Approved Products and Supplies in the future.

We reserve the right to require or permit you to purchase current or future Approved Equipment and Supplies and/or Approved Products and Services directly from us or our affiliates, current vendors or other approved vendors in the future. If we or our affiliates are the sole or an approved vendor for any such items, we reserve the right to set the prices for all such Approved Equipment and Supplies and/or Approved Products and Services as we deem appropriate from time to time.

Other Purchases

We currently require you to use us to engage our third-party supplier to set up your website and initial marketing channels for your Waterloo Turf Business. You will pay us a \$5,000 Marketing Development Fee at least 30 days before you open your Waterloo Turf Business.

We will also require you to engage our then current ad agency for online and other marketing. You will be required to pay the then current ad agency fees, which we currently estimate to be \$1,000 a month.

We will also require you to purchase an initial set of marketing and promotion materials (consisting of hats, uniforms and printed materials) from us or our then current approved vendor at least 30 days before you open your Waterloo Turf Business. Your cost for the initial marketing materials will depend on our or our then current vendor's costs, but we estimate the cost will range from \$3,500 to \$4,500. We may purchase and resell to you some or all of the initial marketing materials now or in the future.

We may on a case by case basis designate or review and approve third party branded or other products or services as Approved Equipment and Supplies and/or Approved Products and Services for use, offer or sale in Waterloo Turf Businesses, with review and approval conducted under our approval procedures described below. We may also purchase third party branded or other Approved Equipment and Supplies and/or Approved Products and Services in bulk and sell them to you at prices we set from time to time (which may include a markup that we set from time to time), or permit you to purchase third party branded Approved Equipment and Supplies and/or Approved Products and Services directly from a third party manufacturer or re-seller.

We may change or expand the list of Approved Equipment and Supplies and/or Approved Products and Services or the list of suppliers for Approved Equipment and Supplies and/or Approved Products and Services in the future, in our discretion.

As of the date of this Disclosure Document, we have designated one or more third party authorized suppliers for certain Approved Equipment and Supplies and/or Approved Products and Services, but we do not have any single suppliers for any specific Approved Equipment and Supplies and/or Approved Products and Services other than our Vehicle wrap vendor, Capital Wraps.

We do not currently have any required distributor for Approved Equipment and Supplies and/or Approved Products and Services, but we reserve the right to designate one or more required distributors for such items in the future. If we designate an approved or required distributor, you must purchase Approved Equipment and Supplies and/or Approved Products and Services to be used in your Waterloo Turf Business from the

required distributor unless you have first obtained our prior written consent to purchase from another distributor in accordance with our vendor and supplier review process (see below).

We reserve the right to designate other specific distributors, vendors and suppliers for Approved Equipment and Supplies and/or Approved Products and Services in the future. If you desire to purchase any products or services from a supplier that has not already been approved, you must obtain our prior written approval, which may take up to 90 days from our receipt of all requested information, including information regarding the supplier's fiscal strength, demonstrated customer service, product or service quality, product or service safety and a strong regional presence. Additionally, as a condition to granting approval, we may require you to submit samples of the proposed supplier's services or products, and to arrange for us to visit the supplier's facilities. We will make our criteria for approving suppliers available to franchisees on request. If we elect to test the samples or inspect the proposed supplier's facilities, you will be charged a fee not to exceed the actual cost of such inspection or testing. We reserve the right to reinspect the facilities and products or services of any approved supplier and to revoke our approval if the supplier fails to continue to meet any of our then-current standards. We will notify you in writing of any revocation of a supplier or their product or service and provide you a reasonable period of time to cease use of the supplier or their product or service, which period of time we will determine based on the amount of inventory you may have and the underlying reason for the revocation.

Purchasing Arrangements

We reserve the right to contract with manufacturers, suppliers and distributors who provide us volume discounts, rebates and other cash payments based on volume purchases of Approved Equipment and Supplies and/or Approved Products and Services used by our franchised, company-owned or affiliated Waterloo Turf Businesses. We anticipate that certain volume discounts, rebates and other cash payments received by us as a direct result of your purchase of Approved Equipment and Supplies and/or Approved Products and Services will be, in our sole discretion: (a) paid to you, (b) contributed to the development and implementation of our plan for advertising Waterloo Turf Business Network services and products, (c) retained by us, or (d) otherwise used to benefit the Waterloo Turf Business network. In all cases, we will deduct our expense to coordinate and test products, services or other items.

We do not provide or withhold material benefits to you (such as renewal rights or the right to open additional Waterloo Turf Businesses) based on whether or not you purchase Approved Equipment and Supplies and/or Approved Products and Services through us, WT or the other suppliers we designate or approve. However, purchases of any unapproved equipment or supplies and/or products and services and/or purchases from unapproved vendors in violation of the Franchise Agreement will entitle us, among other things, to terminate your Franchise Agreement and/or Development Agreement.

We have not arranged for any purchasing cooperatives for our franchisees, but we reserve the right to do so in the future.

The Brand Standards Manual requires that you obtain and use in your Waterloo Turf Business data processing equipment, computer hardware, required dedicated telephone and power lines, modems, printers, and other computer related accessory or peripheral equipment (collectively, your "Technology and Information Systems", as defined in Item 11) that are compatible with our Waterloo Turf Business Operating System (if applicable) and any other then current electronic collection and retrieval systems we have designated.

Our then current approved Technology and Information Systems are included in our Approved Equipment and Supplies. We may develop and require you to use our Waterloo Turf Business Operating System and

may in the future require replacement or other proprietary operating systems and/or processes relative to point of sale, bookkeeping, operations and financial information, inventory and speed of service processes in connection with the operation of your Waterloo Turf Business, and require you to obtain and at all times utilize the services of a credit card processor approved by us. Additionally, we may require that you input and maintain in your computer certain software programs, data and information that we prescribe. See Items 6 and 11.

As of the date of this Disclosure Document, you must purchase a computer system and software that meets our specifications. We require you to install and maintain a hardware and software firewall device on your point-of-sale network that follow closely to the Payment Card Industry (PCI) DSS merchant requirements as stated on the <http://www.pcisecuritystandards.org>. See Item 11 for description of your computer and software requirements.

You must expend the Grand Opening Ad Expenditure of up to \$10,000 for an initial opening advertising and promotion program to be conducted in accordance with our Brand Standards within the 90 day period after your Waterloo Turf Business opens for business. You must submit the grand opening advertising budget to us for approval at least 30 days before expending the Grand Opening Ad Expenditure. The Grand Opening Ad Expenditure will be paid directly to the applicable service providers and not to us. You must submit proof of payment of the Grand Opening Ad Expenditure on our request.

You must also obtain and maintain at your own expense insurance policies with insurers reasonably satisfactory to us covering the items specified in the Brand Standards Manual, including comprehensive general liability, fire and extended coverage, employment relations, worker's compensation and business interruption policies. You must list us as additional insureds. Our current requirements are described in the Summary Pages to the Franchise Agreement (attached as Exhibit B to this Disclosure Document). If you do not provide proof of insurance to us as required under the Franchise Agreement, we may secure insurance for you and charge the cost to you.

We estimate that the purchases described above will equal approximately 70% to 75% of the total cost to establish your Waterloo Turf Business, and approximately 60% to 65% of your ongoing operating expenses.

Revenues from Sales of Products or Services to Franchisees.

We and our affiliates may derive revenue or any other form of consideration as a result of franchisee purchases from us or our affiliates. During our last fiscal year, we has \$328,774 in total revenue, of which \$16,826 was obtained from required franchisee purchases, which is 19.5% of our total revenue during our last fiscal year. During our last fiscal year, our affiliates had \$0 in revenue obtained from required franchisee purchases.

None of our officers currently have an ownership interest in any suppliers to our franchise system, but they may in the future.

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	Article in Franchise Agreement	Article in Development Agreement	Disclosure Document Item
(a) Site selection and acquisition/lease	§ 8	Summary Pages, §§ 3 and 5	7 and 11
(b) Pre-opening purchases/lease	§ 7(iii)	Summary Pages, §§ 3 and 5	5, 7, 8 and 11
(c) Site development and other pre-opening requirements	§§ 2, 7(i), 8 and 9	Summary Pages, §§ 3 and 5	7 and 11
(d) Initial and ongoing training	Summary Pages, §§ 7(a)(iv), 9(e), and 9(t)	§§ 5(c) and 5(d)	6, 7 and 11
(e) Opening	Summary Pages, §§ 7(a)(vi), 9(g) and 10(a)	Summary Pages, §§ 5(b) and 6	11
(f) Fees	Summary Pages, §§ 2, 5 and 10(c) and (d)	Summary Pages, §§ 2, 6, 7 and 13	5, 6, 7 and 11
(g) Compliance with standards and policies/Brand Standards Manual	§§ 2, 6, 7(a)(iv), 7(b)(iv), 9(a)-(dd), 10(a), 11(b), 11(d), 11(f), 13(b), 14(a), 15(c), 16(b), 17(a), 18(a) and 23(f)	§§ 2, 3(b)	8, 11, 14 and 16
(h) Trademarks and proprietary information	§§ 2, 3, 6(a), 9, 11(c), 13, 15(a), 17(a) and 18(a)(ii)	§§ 2, 8	13 and 14
(i) Restrictions on products/services offered	§§ 9, 10, 11 and 13	Not Applicable	8 and 16
(j) Warranty and customer service requirements	§§ 9(n), (o) (t) and (z) and 16	Not Applicable	None
(k) Territorial development and sales quotas	§§ 2, 5(b), 14(b), 14(c) and <u>Exhibit B</u>	Summary Pages, §§ 3 and 8	12
(l) On-going product/service purchases	§§ 2, 3, 6, 7, 9, 13	Not Applicable	8

Obligation	Article in Franchise Agreement	Article in Development Agreement	Disclosure Document Item
(m) Maintenance, appearance and remodeling requirements	§§ 6(c) and 9(q-r)	Not Applicable	None
(n) Insurance	Summary Pages, §§ 9(dd) and 18(a)(iv)	Not Applicable	7 and 8
(o) Advertising	Summary Pages, § 10	Not Applicable	6, 7 and 11
(p) Indemnification	§ 18	§ 9	6
(q) Owner's participation/management/staffing	Summary Pages, §§ 2, 7, and <u>Exhibit A</u>	Summary Pages, §§ 5(c) and (d) and <u>Exhibits A</u> and <u>Exhibit B</u>	11 and 15
(r) Records/reports	Summary Pages, §§ 2, 5(f), 9(w) to (z) and 11(f)	§ 3(b)	6
(s) Inspection/audits	§§ 9(x), 9(bb) and 11(f)	§ 3(b)	6
(t) Transfer	§ 15	§ 13	6 and 17
(u) Renewal	§ 12	Not Applicable	6 and 17
(v) Post-termination obligations	§ 17	§§ 12 and 13	17
(w) Non-competition covenants	§ 14	§ 10(b) and <u>Exhibit B</u>	17
(x) Dispute resolution	§ 20, 21	§ 14	17
(y) Liquidated Damages	§ 22, <u>Exhibit A</u> and <u>Exhibit B</u>	<u>Exhibit A</u> and <u>Exhibit B</u>	6

ITEM 10 FINANCING

We do not currently offer you any direct or indirect financing, nor do we receive any payments from any person offering financing to or arranging financing for a prospective Waterloo Turf Business franchisee. We do not guarantee your note, lease or any other financial obligation.

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

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

Before you open your Waterloo Turf Business, we will:

(1) Review the proposed site for your Office for minimum compliance with our Brand Standards (if you are not operating the Waterloo Turf Business out of your home). (Franchise Agreement, Section 7(a)(i)).

(2) Furnish you a list that describes the Approved Equipment and Supplies that you must purchase, lease, use and install to initially stock the Waterloo Turf Business together with the names of any third party suppliers we have designated or approved for such Approved Equipment and Supplies. Neither we nor our affiliates are currently the sole supplier or an approved supplier for any Approved Equipment and Supplies and/or Approved Products and Services that you must purchase, use and install in the Waterloo Turf Business before commencing operations; provided that we reserve the right to require you to contract with a third party vendor of our designation who offers and sells you certain Approved Equipment and Supplies and/or Approved Products and Services. We will not deliver or install any such Approved Equipment and Supplies and/or Approved Products and Services in your Waterloo Turf Business unless otherwise agreed (Franchise Agreement, Section 7(a)(ii)).

(3) Provide initial training to your Training Team for your first Waterloo Turf Business in consideration for the payment of the Initial Training Fee for each member of the Training Team (except for your Controlling Principal's spouse) (Franchise Agreement, Section 7(a)(iii)).

(4) Loan you a copy of our Brand Standards Manual when your Training Team arrives for initial training (Franchise Agreement, Section 7(a)(v)). The table of contents of the Brand Standards Manual is attached to this disclosure document as Exhibit F. As of the date of this Disclosure Document, the Brand Standards Manual contains 552 written pages and a series of 250 videos. Our System does not include any personnel policies or procedures or security-related policies or procedures that we (at our option) may make available to you in the Brand Standards Manual or otherwise for your optional use. You will determine to what extent, if any, these policies and procedures might apply to your operations at the Waterloo Turf Business. We neither dictate nor control labor or employment matters for franchisees and their employees and we are not responsible for the safety and security of Waterloo Turf Business employees or patrons. You will agree in your Development Agreement and Franchise Agreement that we are not joint employers of your employees and other personnel. We do not and will not share or codetermine any of your employees' essential terms and conditions of employment. More specifically, in no case do we have any authority to determine or set your employees': (1) wages, benefits, and other compensation; (2) hours of work and scheduling; (3) the assignment of duties to be performed; (4) the supervision of the performance of duties; (5) work rules and directions governing the manner, means, and methods of the performance of duties and the grounds for discipline; (6) the tenure of employment, including hiring and discharge; and/or (7) working

conditions related to the safety and health of employees. You alone have sole authority to determine any or all your employees' essential terms and conditions of employment.

(5) Provide opening assistance for your first Waterloo Turf Business in consideration of your payment of the Opening Support Fee (Franchise Agreement, Section 7(a)(v)).

(6) Implement (if/when available) and connect you to our web-based Waterloo Turf Business Operating System (if applicable) (Franchise Agreement, Section 7(a)(vi)).

After you open your Waterloo Turf Business, we will provide the following services and assistance to you:

(1) Implement (if/when available) and maintain and authorize you to use our web-based Waterloo Turf Business Operating System (if applicable) (Franchise Agreement, Section 7(b)(i)).

(2) Provide advice and assistance as we deem advisable in planning publicity and promotions for your Waterloo Turf Business's promotion, including print media and display advertising (Franchise Agreement, Section 7(b)(ii)).

(3) Provide staff accessible to you and your key employees, to the extent we deem advisable, for consultation by telephone, fax, written communication, e-mail and other forms of electronic communication during regular business hours (Franchise Agreement, Section 7(b)(iii)).

(4) Loan you additions and supplements to the Brand Standards Manual as they become available, and disclose to you additional Trade Secrets, if any, we develop that relate to the operation of a Waterloo Turf Business (Franchise Agreement, Section 7(b)(iv)).

(5) So long as you are in full compliance with the Franchise Agreement and all other agreements with us, we will invite you to attend all conventions, seminars and other franchisee-oriented functions we plan occasionally (Franchise Agreement, Section 7(b)(v)).

(6) Sell to you (or cause to be sold to you) the then current array of all proprietary and other Approved Equipment and Supplies and/or Approved Products and Services that you are then required to purchase from us or our affiliates (Franchise Agreement, Section 7(vi)).

(7) Supervise our national account programs as then applicable (Franchise Agreement, Section 7(viii)).

(8) Provide promotional and marketing supplies and digital marketing materials and/or templates as we may periodically develop (Franchise Agreement, Sections 9(r) and 10(a)).

Business Location and Execution

You must operate your Waterloo Turf Business from a designated Office where you can perform daily tasks, take phone calls and store business records. We generally permit you to use your home as your Office.

We will briefly review and approve any proposed Office that is located outside of your home. Factors we use to review and approve a proposed Office that is located outside of your home include the proximity of the Office to the Territory you will service and your representation that the Storage Facility meets local and federal regulatory requirements (if any) for the storage of Approved Equipment and Supplies. We will have

15 days after receipt of the foregoing information to approve or disapprove to approve the proposed site as an Office. The Office location will be listed in the Summary Pages to the Franchise Agreement.

We do not own or lease the Office location to you, and we are not required to assist you in selecting a site for an Office/ Storage Facility, but you may not use any site for an Office unless we first approve your proposed site in writing. You may not relocate an Office without our prior written consent.

We do not provide you any assistance with conforming the Office premises to local ordinances and building codes or obtaining any required permits, and/or constructing, remodeling, or decorating the Office premises.

You may not begin using the Marks in connection with the operation of your Waterloo Turf Business until: (1) your Training Team has successfully completed initial training in accordance with the terms of the Franchise Agreement; (2) all amounts then due to us have been paid; (3) we have been furnished with copies of all insurance policies required by the Franchise Agreement, or such other evidence of insurance coverage and payment of premiums as we request; and (4) all Approved Equipment and Supplies and/or Approved Products and Services are verified to be in place and/or use (and no unapproved products or services are in place and/or in use).

We estimate the time from the date you sign the Franchise Agreement to the date you open your Waterloo Turf Business to be between 60 to 90 days. However, this time estimate may vary depending on numerous factors, including your ability to obtain financing arrangements (if needed), weather conditions, delayed ability to attend training or delayed delivery of the Approved Equipment and Supplies. The above time frames are based on diligent efforts on your part.

You must purchase or lease your Approved Equipment and Supplies within 45 days after you sign the Franchise Agreement. You must open your Waterloo Turf Business within 120 days of the execution of your Franchise Agreement.

If you fail to timely purchase or lease your Approved Equipment and Supplies or open your Waterloo Turf Business, we may terminate your Franchise Agreement, at our option, and retain the initial franchise fee you paid to us when you signed your Franchise Agreement. It is possible that we will occasionally extend the time frame for purchasing or leasing your Approved Equipment and Supplies and/or opening your Waterloo Turf Business based upon specific facts and circumstances.

Training Program

Development Agreement

We do not provide you any training under your Development Agreement.

Franchise Agreement

In connection with the opening of your first Waterloo Turf Business, your Controlling Principal and any then hired General Manager (collectively, your “Training Team”) must complete our mandatory initial training program to our satisfaction. You will pay us an Initial Training Fee for each member of your Training Team at least 5 days before your Training Team arrives for our initial training program, except that we will train your Controlling Principal’s spouse for no additional fee.

We anticipate that all members of your Training Team will need to attend our full initial training program, but initial training differs based on each Training Team member’s role with the Waterloo Turf Business

and we may waive this requirement or permit a reduced training program depending on the experience of one or more of your Training Team members. When your Training Team arrives for training, we will loan you one copy of the Brand Standards Manual. If you request more persons to be trained or your Training Team requires additional training beyond our standard initial training program, we can require payment of the Initial Training Fee for each additional person or we may charge you a lesser additional training fee (currently \$500 per day per person, plus our out-of-pocket expenses).

Our current initial training is approximately 4 days long. Classes are conducted at our headquarters in Austin, Texas and in the field at the Waterloo Turf Business in and around the Austin, Texas area owned and operated by WT. Your entire Training Team must begin our initial training program at least 2 weeks before the expected opening date of your Waterloo Turf Business, and must complete the initial training program at least 1 week before the expected opening date of your Waterloo Turf Business. If your Training Team cannot complete training to our satisfaction, we may terminate your Franchise Agreement and retain all fees paid to us. You will be responsible for all your travel expenses and room, board and wages of your Training Team who attend our initial training program or any other mandatory or available training programs. We may periodically make other mandatory or optional training available to your personnel as well as other programs, seminars and materials, and you will ensure that your personnel, as we direct, satisfactorily complete any required training within the time specified and pay any applicable additional training fees (currently \$500 per day per person, plus our out-of-pocket expenses).

Our training program is overseen by our founder Lance Ingram (4 years' experience in Waterloo Turf Businesses, and 6 years' experience in training generally and with artificial turf businesses) and one or more of our Turf Coaches (between 5 and 17 years of experience in artificial turf work), and also includes one or more store managers from our affiliates' Waterloo Turf Businesses.

An outline of the initial training is as follows:

SUBJECT	HOURS OF VIRTUAL TRAINING	HOURS OF CLASSROOM TRAINING	LOCATION
Orientation	2 hours	1 hour	Austin, Texas
Compliance	3 hours	1 hour	Austin, Texas
General Industry Education	11 hours	4 hours	Austin, Texas
Software	8 hours	4 hours	Austin, Texas
Operations - Daily Cadences	14 hours	1 hours	Austin, Texas
Operations – Project Management	22 hours	8 hours	Austin, Texas
Operations - Estimating	2 hours	1 hour	Austin, Texas
Operations - Sales	5 hours	4 hours	Austin, Texas

Operations – Crew Management	3 hours	1 hour	Austin, Texas
Financial Management	2 hours	1 hour	Austin, Texas
General Management	3 hours	2 hours	Austin, Texas
Recruiting and HR	2 hours	1 hour	Austin, Texas
Marketing & Advertising	6 hours	2 hours	Austin, Texas
Safety & Security	1 hour	1 hour	Austin, Texas
Total	84 hours	32 hours	

In connection with the opening of your first Waterloo Turf Business, first 1 of our opening and operations representatives will travel to your Waterloo Turf Business to provide you with on-site pre-opening and opening training, supervision and assistance for approximately 3 days in the aggregate immediately before your scheduled opening date and after your Waterloo Turf Business opens for business and then second 1 of our operations representatives will travel to your Waterloo Turf Business to provide you with 1 to 2 days of additional post-opening support approximately 30 days after your actual opening date. The cost of our opening support is covered by your payment of the Opening Support Fee. If we provide additional on-site pre-opening and opening training, supervision and assistance, you will promptly reimburse us for all of our costs associated with such pre-opening and post-opening assistance, such as costs of travel, lodging, meals and prorate wages. See Item 5.

You are expected to provide your own opening support for your second and each additional Waterloo Turf Business, but we may provide some lesser amount of opening support upon request or if we deem it necessary, in which case you will pay us our then current additional training fee (currently an amount equal to \$500 plus our costs, if any) for such additional training.

We will train you on our Waterloo Turf Business Operating System (if then applicable) as part of your initial training. However, in connection with your purchase of your other Technology and Information Systems, we expect that you will obtain training directly from the vendor of these other systems as part of your initial purchase. You will be responsible for all expenses incurred during any such other Technology and Information Systems training, which we have described in Items 6, 7 and 11.

Advertising and Promotions

We are not obligated to advertise for the franchise system other than in connection with the National Brand Fund.

Grand Opening Advertising

You must make the Grand Opening Ad Expenditure (currently up to \$10,000) for an initial opening advertising and promotion program to be conducted in accordance with our Brand Standards within the 90 day period after your Waterloo Turf Business opens for business. You must submit a grand opening advertising budget to us for approval at least 30 days before making the Grand Opening Ad Expenditure.

The Grand Opening Ad Expenditure will be paid directly to the applicable service providers and not to us unless otherwise directed. You must submit proof of payment of the Grand Opening Ad Expenditure on our request.

Local Advertising

We require you to spend the Local Ad Expenditure on approved local advertising for the duration of the term of your Franchise Agreement. The Local Ad Expenditure is currently an amount equal to 3% of Gross Sales, but we may increase the Local Ad Expenditure on 30 day's written notice to you up to 5% of Gross Sales as noted below.

You must submit to us an advertising expenditure report accurately reflecting all local advertising expenditures no later than the 3rd day of each calendar month during the term of the Franchise Agreement (or at any other frequency or on any other date directed by us in writing). In addition to the restrictions set forth below, costs and expenditures incurred in connection with any of the following will not be included in your expenditures on local advertising, unless approved in advance by us in writing.

- (a) Incentive programs for your employees or contractors;
- (b) Research expenditures;
- (c) Free Approved Products and Services costs incurred in any promotion;
- (d) Salaries and expenses of any of your employees, including salaries or expenses for attendance at advertising meetings or activities;
- (e) Charitable, political or other contributions or donations;
- (f) Press parties or other expenses of publicity;
- (g) Sample materials for use in your office or in the field;
- (h) Seminar and educational costs and expenses of your employees; and
- (i) Specialty items such as T-shirts, pins, and awards, unless those items are part of a market-wide advertising program and then only to the extent that the cost of the items is not recovered by the promotion.

You must participate in all system-wide promotions and advertising campaigns which we originate. We may or may not count your expenditures in such promotion and advertising campaigns towards your Local Ad Expenditure or other marketing requirements.

Should you create your own local advertising and promotions, we reserve the right to approve in advance of their use any graphic materials or commercials developed by you and the media in which they are placed.

National Brand Fund

We created our National Brand Fund in June 2025 when our first franchisees opened their Waterloo Turf Businesses. The National Brand Fund contributions are used to, among other things, arrange for, place and run advertisements, commercials and promotional materials in local, regional and national media. You must make National Brand Fund contributions in the manner (including payment by automatic debit), and at the

rate we establish from time to time. As set forth in Item 6, the current National Brand Fund contribution rate is 2% of Gross Sales, but the National Brand Fund contribution rate may range up to a maximum of 3% of Gross Sales and is payable no later than the 3rd day of each Accounting Period during the term of the Franchise Agreement. We anticipate that all franchisees will make National Brand Fund contributions, but other franchisees may not contribute the same amount as you do. Franchisor/affiliate-operated Waterloo Turf Businesses (if any) are not required to contribute to the National Brand Fund on the same basis as franchisees.

We or our designee administer the National Brand Fund. The National Brand Fund is used generally to arrange for, place and run advertisements, commercials and promotional materials in local, regional and national media. We generally work with an advertising agency in developing advertising for print, radio or television, but will also use in-house staff. (Franchise Agreement, Section 10(d)).

We use National Brand Fund contributions in a manner that provides marketing benefits to the entire network of Waterloo Turf Business, including franchised and franchisor/affiliate-operated, as a whole, and will also use the National Brand Fund contributions to reimburse ourselves and our affiliates for administrative costs and expenses related to implementing general advertising programs and assistance for Waterloo Turf Businesses. Other permitted uses National Brand Fund contributions in all cases include (i) creating advertising and marketing materials relating to the System and the Approved Products and Services that Waterloo Turf Businesses offer and sell, including materials for, among other mediums, print, radio or television on a local, regional or national basis, (ii) paying for public relations services and projects (including sponsorships) intended to enhance the goodwill and public image of the System generally, (iii) conducting market research, focus groups and advertising tracking studies, and (iv) reimbursing us or our affiliates (based on allocations calculated by our management): (a) for salaries and other overhead expenses that are directly related to projects of a character described above, depending on markets and population, and (b) for part of the cost of maintaining an internet website that we develop and maintain to advertise and promote Waterloo Turf Businesses and the Approved Products and Services that Waterloo Turf Businesses offer (the "Website") and any related uses of Social Media (defined below). We will not use Advertising Fees to pay for those components of the Website that publicize the franchise program or the sale of franchises.

We will strive to spend National Brand Fund contributions in a manner that provides advertising benefits to all participating Waterloo Turf Businesses. However, we do not guarantee that all Waterloo Turf Businesses will receive equal advertising benefits in view of regional differences in media costs, varying degrees of market penetration in different areas. Nor do we guarantee that all franchisees will contribute to the National Brand Fund at the same rate.

We may structure the National Brand Fund's organization and administration in ways that, in our judgment, most effectively and efficiently accomplish the National Brand Fund's objectives. We may organize or reorganize the National Brand Fund as a separate non-profit corporation or other appropriate entity and transfer the National Brand Fund's assets to another entity. If we establish another separate entity to administer the National Brand Fund, you must become a member of the entity and, in that regard, to sign a participation agreement and take such other steps as we specify.

During our 2025 fiscal year end, we spent money from the National Brand Fund contributions as follows: 36% on production and 64% on administrative expenses, but we self-funded the National Brand Fund above the actual contributions made.

We are not required to prepare or to provide to you audited or unaudited financial statements for the National Brand Fund. However, we may make annual unaudited statements available to you if we decide to do so at our discretion. If any funds remain at the end of the tax year in which they were contributed, all expenditures in the following year will be made first out of the accumulated earnings from the prior years.

Gift Card and Customer Loyalty Programs

We may occasionally develop and administer, or grant you permission to participate in, gift card, gift certificate or voucher sales programs, customer retention and loyalty programs or other programs designed to promote and enhance the collective success of all Waterloo Turf Businesses. You must participate in any such gift card, gift certificate, voucher or customer loyalty program we establish, and honor any such gift cards, gift certificates, vouchers or loyalty awards presented for redemption at the Waterloo Turf Business. You may not create or issue your own gift cards, gift certificates or vouchers, or create your own loyalty program, unless we expressly permit you to do so in writing. Nor may you sell gift cards, gift certificates or vouchers in bulk or to any retailers for resale. You are responsible for signing any third-party agreements and paying any third-party fees that are required for participation in these programs.

Franchisee Advertising Council

We do not currently have a franchisee advertising council that advises on advertising policies. We may form a franchisee advertising council in the future, but we have no obligation to do so. If we form a franchisee advertising council, we will have the right to determine how its members are selected and the scope of its authority as well as the right to change or dissolve the franchisee advertising council.

Website, Social Media and the Internet

We currently operate the Waterloo Turf Website (currently at www.waterlooturf.com), which provides information about our company-affiliated Waterloo Turf Businesses and about Waterloo Turf Businesses generally. We have sole discretion and control over the Waterloo Turf Website (including timing, design, contents and continuation) and may (but are not required to) include at the Waterloo Turf Website interior pages containing information about our franchisees' Waterloo Turf Businesses. We and our affiliates may offer and sell Approved Equipment and Supplies and/or Approved Products and Services to Customers through the Waterloo Turf Website, including in your Territory and/or Development Area. See Item 12.

You will have no right, license, or authority to use any of the Marks on or in connection with our or our affiliate's website or any other website, except as we provide in the Franchise Agreement. (Franchise Agreement, Section 11(a)-(b)).

Unless we agree in writing, neither you nor your Principals, employees or agents may use the Marks or otherwise mention your Waterloo Turf Business, the Waterloo Turf Network or System in connection with any business or personal uses of Social Media, which we define as any and all existing or future forms of electronic communication, whether for business or personal use (including via internet forums, weblogs, social blogs, wikis, podcasts, pictures and videos) through which users create or use online networks or communities (including but not limited through online communities such as Facebook, X (formerly Twitter), Instagram, SnapChat, LinkedIn, YouTube, Yelp or Wikipedia and other similar content sharing outlets) to share information, ideas, personal messages, and other online content.

In all cases, we have sole discretion and control over any profiles using or relating to the Marks, your Waterloo Turf Business, the Waterloo Turf Network or System, or that display the Marks that are

maintained or posted on Social Media. We may (but need not) establish guidelines pursuant to which you may establish profiles or otherwise establish a presence on Social Media. In such event, you will comply with the standards, protocols and restrictions that we impose, and we can revoke any prior permissions at any time. We can remove references to your Waterloo Turf Business from the Waterloo Turf Website with or without notice to you if you are not then in current compliance with the Franchise Agreement. We may use part of the National Brand Fund contributions to pay or reimburse the costs associated with the development, maintenance and update of profiles on Social Media. You will indemnify us if we incur losses and expenses from any authorized or unauthorized use of Social Media. (Franchise Agreement, Section 11(c)).

Waterloo Turf Intranet

We may establish and maintain an intranet facility through which members of the entire network of Waterloo Turf Businesses, including franchised and franchisor/affiliate-operated Waterloo Turf Businesses, may communicate with each other and through which we may disseminate updates and supplements to the Brand Standards Manual and other confidential information (the “Waterloo Turf Intranet”). We will have no obligation to maintain the Waterloo Turf Intranet indefinitely if we establish the Waterloo Turf Intranet, we will establish policies and procedures for the Waterloo Turf Intranet’s use. These policies, procedures and other terms of use will address issues such as (a) restrictions on the use of abusive, slanderous or otherwise offensive language in electronic communications; (b) restrictions on communications that endorse or encourage breach of any your franchise agreement; (c) confidential treatment of materials that we transmit via the Intranet; (d) password protocols and other security precautions; (e) grounds and procedures for our suspending or revoking your access to the Waterloo Turf Intranet; and (f) a privacy policy governing our access to and use of electronic communications that franchisees post on the Waterloo Turf Intranet. The Waterloo Turf Intranet facility and all communications that are posted to it will become our property. You must purchase and install all necessary additions to the Waterloo Turf Businesses’ information system and establish and continually maintain electronic connection with the Waterloo Turf Intranet that allows us to send messages to and receive messages from you. Your obligation to maintain connection with the Waterloo Turf Intranet will continue until your Franchise Agreement’s expiration or termination (or, if earlier, until we dismantle the Waterloo Turf Intranet). You must contribute to the cost of the Waterloo Turf Intranet’s maintenance and further development as provided in Item 6. (Franchise Agreement, Section 11(d)).

Customer Information/Privacy and Data Protection

All Customer Information that you collect from Customers of the Waterloo Turf Business and all revenues you derive from such Customer Information (if any) will be your property and sole responsibility, but subject to any applicable laws, you will grant to us and our wholly-owned affiliates a perpetual, royalty-free, unlimited and unrestricted license to use, access, store, aggregate, and distribute across the Waterloo Turf Network (including to other franchisees) all Customer Information, and to otherwise use such Customer Information as we deem appropriate from time-to-time. You will obtain consent from any Customer or third-party, if required by applicable laws, and take any other step(s) required by applicable laws and/or us to ensure the legality and enforceability of such grant to us. (Franchise Agreement, Section 11(e)).

We and you will recognize in the Franchise Agreement that each of us is an independent “data controller” as that term is used in applicable privacy laws. We and you will not be joint controllers, nor are you and us acting as a data processor (as that term is used in applicable privacy laws) in connection with the Franchise Agreement. In all cases, you will take all necessary actions to independently: (i) learn and comply

with all applicable Privacy laws, including all required Customer consents in accordance with applicable Privacy laws; (ii) learn and comply with the Brand Standards as they relate to Privacy laws and the privacy and security of Customer Information; (iii) learn and comply with any posted privacy policy and other representations made to the individual identified by Customer Information that you process, and communicate any limitations required thereby to any authorized receiving party in compliance with all Privacy laws; (iv) refrain from any action or inaction that could cause us or our affiliates to breach any Privacy laws; (v) maintain, and cause adherence by your personnel to all reasonable physical, technical and administrative safeguards and related policies for Customer Information that is in your possession or control in order to protect such Customer Information from unauthorized processing, destruction, modification, or use that would violate the Franchise Agreement, the Brand Standards (which may include a non-exhaustive list of the minimum types of policies that must be implemented) or any Privacy Law; (vi) do and execute, or arrange to be done and executed, each act, document and thing Franchisor deems necessary in its business judgment to keep us and our affiliates in compliance with the Privacy laws; and (vii) immediately report to us the breach of any requirements in the Franchise Agreement or the Brand Standards regarding Customer Information or any Privacy laws, or the theft or loss (or any apparent or alleged theft or loss) of Customer Information (other than the Customer Information of your own officers, directors, shareholders, employees or service providers).

You will, upon request, provide us with information, reports, and the results of any audits performed regarding your data security policies, security procedures, or security technical controls related to Customer Information. You will, upon our request, provide us or our representatives with access to your Technology and Information Systems, records, processes and practices that involve processing of Customer Information in order to mitigate a security incident or so that an audit may be conducted.

You will indemnify, defend and hold us and our affiliates, and their respective officers, directors, shareholders, members, managers, partners, employees, servants, independent contractors, attorneys, representatives, agents and associates harmless in connection with any claim or action arising out of or relating to: (i) any theft, loss or misuse (including any apparently or alleged theft, loss or misuse) of Customer Information; and (ii) your breach of any of the terms, conditions or obligations relating to data security, Privacy laws or Customer Information set forth in the Franchise Agreement. You will immediately notify us upon discovering or otherwise learning of any theft, loss or misuse of Customer Information.

You will, at our direction, but at your sole expense, (i) undertake remediation efforts on its own in concert with your directions, (ii) reasonably cooperate with any remediation efforts undertaken by us and (iii) undertake efforts to prevent the recurrence of the same type of incident, including by paying for any remediation and post-breach monitoring process deemed appropriate by us.

You will not make any public comment regarding and data security incident without our approval. Any notifications to the media or Customers regarding theft or loss of Customer Information will be handled exclusively by us at our election and neither you nor your personnel may contact the media or Customers relating to such theft or loss unless you are under a legal obligation to do so, in which case (i) you must notify us in writing promptly after concluding that you have the legal obligation to notify any Customers and (ii) you will limit, or ensure the limitation of, the notices to Customers to those required by the legal obligation or as pre-approved by us. You will reasonably cooperate in connection with any notices to Customers regarding theft or loss and you will assist with sending such notices upon request by us. In addition, and notwithstanding anything to the foregoing, you will grant your consent to the processing, including the transfer and communication in the United States, of your own personal data. (Franchise Agreement, Section 11(f)).

Technology and Information Systems Hardware and Software

You must acquire, install and use certain computer and electronic systems, peripheral equipment and related software programs and email solutions we specify in the Brand Standards Manual (collectively, “Technology and Information Systems”) to collect, compute, store and report a Waterloo Turf Business’s Gross Sales, other financial data and operating information, and must also acquire, install and use any telephonic or electronic operating system, or such technological substitutes as we may determine to be appropriate periodically, including our Waterloo Turf Business Operating System described below (if applicable). We will have continuous, uninterrupted access to your Waterloo Turf Business’s Technology and Information Systems. You must also obtain and utilize services of a credit card processor that we have approved.

As of the date of this Disclosure Document, you must purchase the following items, which constitute our current required Technology and Information Systems:

HARDWARE
iPhone or equivalent
Laptop computer
SOFTWARE
QBO
Gusto
Quo
GYSB Calculator

We estimate the initial purchase or lease cost of the current required Technology and Information Systems to be between \$500 to \$1,000. You will also receive access to certain additional Technology and Information Systems through your timely and full payment of Technology Fees.

We reserve the right to develop and require you to use our Waterloo Turf Business Operating System in your Waterloo Turf Business. We do not anticipate charging you any initial fee or connection fee, but we may pay for your continuing usage through the Technology Fee. We have not developed the Waterloo Turf Business Operating System as of the date of this Disclosure Document so it has never been used in a Waterloo Turf Business.

We may electronically poll your Waterloo Turf Business's Technology and Information Systems to obtain Gross Sales data, as well as other financial and operating information, including Customer Information and other information from the Waterloo Turf Business Operating System (if applicable), which will be available to us twenty-four hours every day. You must maintain continual data network access to your Waterloo Turf Business’s Technology and Information Systems for our use. There are no contractual limitations on our right to access any information or data contained on your Technology and Information Systems.

We have the right to require you to change or upgrade your Technology and Information Systems from time to time, the cost of which we are unable to estimate, but we do not anticipate that the costs for general maintenance would be more than \$1,000 a year. You must update all Technology and Information Systems as and when we may specify from time to time in the Brand Standards Manual, and generally no later than 30 days before the then-current Franchise Agreement will expire or upon notice that we have established

the Waterloo Turf Intranet. Except as described above, there are no contractual limitations on the frequency and cost of the obligation to require updates to your Technology and Information Systems.

You are required to install and maintain a hardware and software firewall device on your Technology and Information Systems network that follow closely to the Payment Card Industry (PCI) DSS merchant requirements as stated on the <http://www.pcisecuritystandards.org>. The network must be segmented off of other internal business networks. You must use internal or third-party IT network resources, which include security shield, threat defender, and breach protection programs. We may suggest third party PCI compliance vendors to you, but you are responsible for your own PCI compliance at your Waterloo Turf Business.

Except as set forth below, other Technology and Information Systems brands and suppliers are not mandatory and we are not obligated to provide or to assist you to obtain or provide ongoing maintenance, repairs, upgrades or updates to such hardware and software associated with your Technology and Information Systems; however, you must obtain our prior written consent for any variations from our Brand Standards.

ITEM 12 TERRITORY

Franchise Agreement

Under the Franchise Agreement, you are granted the right to operate one Waterloo Turf Business and to offer and sell Approved Products and Services from your Waterloo Turf Business in your specific Territory.

Your Territory will be a geographic area around your approved Waterloo Turf Business that is defined by specific geographic boundaries, which may be described by political, geographic, population or other boundaries. The actual size of the Territory will vary depending upon the number of persons living in your Territory, the availability of contiguous markets, our long-range plans, your financial and operational resources, and market conditions. We generally grant territories containing approximately 350,000 persons. We use information obtained from recent census data, third party software or websites, and other published sources to determine the number of persons residing in your proposed Territory. A written description of the Territory will be inserted in the Summary Pages to the Franchise Agreement before you sign.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we and our affiliates own, or from other channels of distribution that we control, including the internet, and we have no obligation to pay you any compensation for soliciting or accepting orders inside your Territory.

However, if you, your affiliates and Principals are in full compliance with the Franchise Agreement and all other agreements between you, your affiliates and Principals and us and our affiliates, we will not operate or authorize anyone except you to commence operation of a Waterloo Turf Business that uses the System and the Marks to offer, sell and perform Approved Products and Services at a Customer's physical premises within your Territory.

Notwithstanding, if we determine that you are unable or unwilling, or you notify us that you are unable or unwilling, to offer, sell or perform Approved Products and Services for a prospective Customer in your Territory, then we, our affiliates or other franchisees we designate may offer and sell Approved Products and Services to the Customer as we deem appropriate without any payment to you.

Further, in all cases, under the Franchise Agreement, we and our affiliates (and each of their respective successors and assigns, by purchase, merger, consolidation, or otherwise) reserve all rights that the Franchise Agreement does not expressly grant to or confer upon you, including, without limitation:

(i) To operate and grant franchises to third parties to operate Waterloo Turf Businesses using the System and the Marks outside the Territory;

(ii) To advertise and promote the System within and outside the Territory;

(iii) To develop, establish and operate (directly or indirectly), and grant franchises to others to develop, establish and operate, (a) other business systems using the Marks, and (b) other business systems (including, without limitation, businesses offering and selling Approved Products and Services) using other names or marks, within and outside the Territory and to spin off, sell, or otherwise dispose of all or any interest in such business systems;

(iv) To engage, directly or indirectly, in the manufacturing, production, distribution, operation, license and sale of Approved Products and Services and other similar services and related products using the System and/or the Marks, within and outside the Territory through any other method of distribution, including, but not limited to, retail outlets, mail order catalogs, the Internet, telemarketing, other direct marketing, or any other channel of distribution, which includes the direct sale of Approved Products and Services to Customers within the Territory through the Waterloo Turf Website or any successor internet website operated by us or our affiliates;

(v) The right (i) to be acquired, in whole or in part, by any company, including any company that operates or offers franchises for businesses that offer products or services the same as or comparable to Approved Products and Services and that have locations or operate within or outside the Territory under any trademark or trade name other than the Marks, and (ii) to acquire any such company, in whole or in part. In the event of any such acquisition by Franchisor or one of Franchisor's Affiliates in the Territory, Franchisee agrees that Franchisor or such other entity may continue to operate (or authorize others to operate) the acquired company (and any and all of its locations) in the Territory under the acquired company's trademarks and trade names.

You may not actively solicit business outside your Territory through any means, including the use of other channels of distribution, such as the Internet, Social Media, catalog sales, telemarketing, or other direct marketing. If you receive an inquiry from a prospective Customer whose job site will occur outside your Territory, you should refer the prospective Customer to us and we may provide the Customer lead to a company or affiliate-owned business or another franchisee nearer to the job site, or allow you to offer, sell or perform Approved Products and Services for the Customer outside the Territory, based on our then current standards and any specific extra-territorial services policies we may implement from time to time.

We and our affiliates reserve all rights we have not expressly granted to you.

You may use the Internet and Social Media to advertise only in compliance with the Franchise Agreement.

You may not relocate a Waterloo Turf Business without our consent. You are prohibited from sublicensing your rights to others, from assigning or delegating your rights and obligations to operate the Waterloo Turf Business, and from selling other Approved Products and Services without our prior written consent.

Development Agreement

Under the Development Agreement, you are granted the right to open and operate more than one Waterloo Turf Business in multiple to be defined territories within a larger geographic area (the “Development Area”) pursuant to an agreed Development Schedule.

We determine the Development Area before you sign the Development Agreement based on various market and economic factors like demographics, the penetration of similar businesses, the availability of event venues and growth trends in the market. The Development Area may be all or a portion of a city, a single or multi-county area, or some other area, and will be described in the Development Agreement. The Development Area will exclude any areas for which we may have existing contractual commitments. These will be identified in your Development Agreement.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we and our affiliates own, or from other channels of distribution that we control, including the internet, and we have no obligation to pay you any compensation for soliciting or accepting orders inside your Development Area.

However, if you, your affiliates and Principals are in full compliance with the Development Agreement and all other agreements between you, your affiliates and Principals and us and our affiliates, we will not operate or authorize anyone except you to commence operation of a Waterloo Turf Business that uses the System and the Marks to offer, sell and perform Approved Products and Services at a Customer’s physical premises within your Development Area.

Notwithstanding, you are not granted any rights under the Development Agreement to offer or sell any Waterloo Turf Products or Services to any Customers; such rights only exist in your Territory under your Franchise Agreement. If you receive an inquiry from a prospective Customer whose job site will occur outside of your Territory under your Franchise Agreement but inside your Development Area under the Development Agreement, you must refer the prospective Customer to us and we may provide the Customer lead to a company or affiliate-owned business or another franchisee nearer to the job site, or allow one of your open Waterloo Turf Businesses to offer, sell or perform Approved Products and Services for the Customer, based on our then current standards and any specific extra-territorial services policies we may implement from time to time.

Further, in all cases, under the Development Agreement, we and our affiliates (and each of their respective successors and assigns, by purchase, merger, consolidation, or otherwise) reserve all rights that the Franchise Agreement does not expressly grant to or confer upon you, including, without limitation:

- (i) To operate and grant franchises to third parties to operate Waterloo Turf Businesses using the System and the Marks outside the Development Area;
- (ii) To advertise and promote the System within and outside the Development Area;
- (iii) To develop, establish and operate (directly or indirectly), and grant franchises to others to develop, establish and operate, (a) other business systems using the Marks, and (b) other business systems (including, without limitation, businesses offering and selling Approved Products and Services) using other names or marks, within and outside the Development Area and to spin off, sell, or otherwise dispose of all or any interest in such business systems;

(iv) To engage, directly or indirectly, in the manufacturing, production, distribution, operation, license and sale of Approved Products and Services and other similar services and related products using the System and/or the Marks, within and outside the Development Area through any other method of distribution, including, but not limited to, retail outlets, mail order catalogs, the Internet, telemarketing, other direct marketing, or any other channel of distribution, which includes the direct sale of Approved Products and Services to Customers within the Development Area through the Waterloo Turf Website or any successor internet website operated by us or our affiliates;

(v) The right (i) to be acquired, in whole or in part, by any company, including any company that operates or offers franchises for businesses that offer products or services the same as or comparable to Approved Products and Services and that have locations or operate within or outside the Development Area under any trademark or trade name other than the Marks, and (ii) to acquire any such company, in whole or in part. In the event of any such acquisition by Franchisor or one of Franchisor's Affiliates in the Development Area, Franchisee agrees that Franchisor or such other entity may continue to operate (or authorize others to operate) the acquired company (and any and all of its locations) in the Territory under the acquired company's trademarks and trade names.

We and our affiliates reserve all rights we have not expressly granted to you. We may advertise and promote the Waterloo Turf Network inside and outside the Development Area, offer Approved Products and Services through any other method of distribution, including on the Internet, catalog sales, telemarketing or direct marketing, or any other channel of distribution, and we may acquire or be acquired by any company, including a company that operates or offers franchises for artificial turf businesses with locations in the Development Area under any trademarks or trade names other than our Marks.

Your rights with respect to the Development Area are not dependent upon your achieving a certain sales volume, market penetration or other contingency, but you must open and maintain open the number of Waterloo Turf Businesses in your Development Schedule or else you will be in default. If you are in default and fail to timely cure, we may alter or reduce your Development Area or Development Schedule as an alternative remedy to terminating your Development Agreement.

After your Development Agreement expires, your territorial and other protections to the Development Area end. We do not grant any options or rights of first refusal under the Development Agreement to obtain additional Waterloo Turf Businesses. If you desire to open one or more additional Waterloo Turf Businesses, you must be approved and sign a separate Development Agreement and/or Franchise Agreement(s) for any new location(s).

We and our affiliates may in the future purchase one or more third party owned residential and commercial home improvement and maintenance businesses and convert them to Waterloo Turf Business brand businesses. Also, we and our affiliates may develop, own and sell (directly or through at wholesale to third parties for resale) other residential and commercial home improvement and maintenance products and services.

You have no rights to offer and sell, or protections from the offer and sale of, any such other brands or any other brands we or our affiliates may create or acquire and then offer and sell through any means of distribution, including franchising. You do not have any rights, options, rights of first refusal, or similar rights to acquire additional franchises under your Development Agreement or Franchise Agreement for any other brands we or our affiliates may develop, operate or franchise in the future, and we, our affiliates and any franchisees of these other concepts may solicit and accept orders for their products and services in your Territory and/or Development Area.

ITEM 13 TRADEMARKS

We grant to you the right to use certain trademarks, service marks and other commercial symbols, including “Waterloo Turf” (the “Marks”) in connection with the operation of your Waterloo Turf Business under the Franchise Agreement. The Development Agreement does not give you any right to use the Marks.

We own the following Marks which have been applied for on the Principal Register of the United States Patent and Trademark Office (“USPTO”), as follows:

Mark	Registration Number	Registration Date	Class
WATERLOO TURF	7902248	August 19, 2025	37
WATERLOO TURF (stylized and/or with design)	7902247	August 19, 2025	37

We intend to file all affidavits and to renew the registrations for the Marks when they become due.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or court, nor is there any pending interference, opposition, or cancellation proceeding, nor any pending material litigation involving the Marks which may be relevant to their use in this state or in any other state.

There are no agreements currently in effect that significantly limit our right to use or to license others to use the Marks listed in this section in a manner material to the franchise.

You must promptly notify us of any suspected unauthorized use of the Marks, any challenge to the validity of the Marks, or any challenge to our ownership of the Marks, our right to use and to license others to use the Marks or your right to use the Marks. We have the sole right to direct and control any administrative proceeding or litigation involving the Marks, including any settlement. We have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Marks. We may defend you 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 used the Marks in accordance with the Franchise Agreement, the cost of the defense, including the cost of any judgment or settlement, will be borne by us. If we determine that you have not used the Marks in accordance with the Franchise Agreement, the cost of the defense, including the cost of any judgment or settlement, will be yours. In the event of any litigation relating to your use of the Marks, you must sign any and all documents and do any acts as may, in our opinion, be necessary to carry out the defense or prosecution, including becoming a nominal party to any legal action. Except if this litigation is the result of your use of the Marks in a manner inconsistent with the terms of the Franchise Agreement, we will reimburse you for your out-of-pocket costs in doing these acts.

There are no infringing uses actually known to us that could materially affect your use of the Marks in this state or elsewhere.

You must conspicuously post a sign at your Waterloo Turf Business premises and include on all written materials, including advertisements, stationery, business cards, etc. the following: “Independently owned and operated.”

We reserve the right to substitute different Marks for use in identifying the System and the businesses operating under it, at our sole discretion. We will not be required to reimburse you for any of your costs related to conforming to our new Marks, and will otherwise have no obligation or liability to you as a result of any substitution.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not currently own any rights to any required patents or copyrights that are material to the franchise. We claim copyright protection to our Brand Standards Manual and the information contained in it is proprietary.

The System and the components of the System, the contents of the Brand Standards Manual and of all training materials and computer programs developed by us or in accordance with our standards any other confidential information that we impart to you with respect to a Waterloo Turf Business's operation or management, whether through the Brand Standards Manual or otherwise (collectively, "Trade Secrets") belong exclusively to us and the ideas and information in the Brand Standards Manual are our sole and exclusive property.

You and your Principals must hold the elements of the System, the Trade Secrets and the contents of the Brand Standards Manual in strict confidence, must not disclose any Trade Secret or any operating or management procedure to any person other than your Controlling Principal and your other employees that must receive disclosure to understand their job duties, and must instruct and routinely remind your employees that the System, the Trade Secrets and the contents of the Brand Standards Manual are confidential and may not be disclosed or appropriated. If you are a business entity, you must not disclose any element of the System, any of the Trade Secrets or the contents of the Brand Standards Manual, or make the Brand Standards Manual available, to any shareholder, director, officer, partner, member or manager of the business entity other than your Controlling Principal, unless such other persons are actively and regularly involved in your Waterloo Turf Business's management.

You and your Principals must not use any element of the System, any of the Trade Secrets or the operating, management or marketing procedures in the Brand Standards Manual in connection with the operation of any establishment or enterprise other than your Waterloo Turf Business, and must promptly discontinue use of the System, the Trade Secrets and the operating, management and marketing procedures in the Brand Standards Manual upon the expiration or termination of your Franchise Agreement.

You and your Principals must not, without our prior written consent, copy or permit any person to copy or reproduce any part of the Brand Standards Manual and any other printed, graphic or audio/visual item designated by us as containing Trade Secrets or otherwise permit their use or inspection by any person other than you, your Controlling Principal, your General Manager and your other employees who need to be disclosed to in order to perform their job duties, and our authorized representatives.

All employee training materials (electronic or otherwise) and all software developed by us or by following our standards contain information, embody procedures or facilitate business practices that are proprietary to us and fall within the parameters of our Trade Secrets.

You must notify us of any infringements of or challenges to the copyrighted materials that come to your attention and actively cooperate with us in the investigation of any infringement or challenge. We have the

right to control any administrative proceedings or litigation involving the copyrighted materials and will take whatever action we deem appropriate.

We are not contractually obligated to defend the copyrighted materials. Nor are we contractually obligated to protect you against claims of infringement or unfair competition arising from your use of the copyrighted materials. Although we intend to defend the copyrighted materials vigorously, we are not required to participate in any defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving the copyrighted materials, or if the proceeding is resolved unfavorably to you.

If we modify or discontinue the use of any copyrighted materials, you must promptly comply with and adopt, at your own expense, all such modifications.

You, your Controlling Principal, your General Manager and certain of your other employees are bound by non-compete covenants concerning the proprietary information and may be required to enter into confidentiality and non-solicitation agreements.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

Under the Franchise Agreement and Development Agreement, unless you are an individual who will operate and manage your Waterloo Turf Business(s) personally on a full-time, best efforts basis, you must appoint a Controlling Principal who meets our eligibility standards, as described in the Brand Standards Manual.

The Controlling Principal is one of your Principals appointed by you who meets our requirements and is approved by us to supervise and manage all aspects of your business and with whom we and our staff may deal exclusively for purposes of administering and coordinating the franchise relationship.

Unless otherwise approved in writing, the Controlling Principal must supervise and manage your development and operation of Waterloo Turf Businesses on a full-time, best efforts basis beginning when they appear for our initial training program, and will not engage in any other employment or activities during the term of the Franchise Agreement (and Development Agreement, if applicable) that require material time commitments that would not enable the Controlling Principal to actively supervise and manage the development and operation of Waterloo Turf Businesses on a full-time, best efforts basis. We expect your Controlling Principal to manage all aspects of your business on a full-time, best efforts basis regardless of the number of Waterloo Turf Businesses you may develop and operate, but if/when you have opened at least 3 Waterloo Turf Businesses we will permit you to recruit and have an approved, full-time General Manager for each Waterloo Turf Business. The Controlling Principal will be required to complete our initial training as well as any full-time General Manager(s) in place when you sign the franchise agreement or at some point in the future.

Before rendering services to your Waterloo Turf Business, your Training Team (see Item 11) (and any replacements for those persons) must attend and complete, to our satisfaction, initial training conducted by us.

Each person who will drive your Vehicle must have a valid motor vehicle license for the state(s) in which your Territory is located with rights to drive motor vehicles in the class of your Vehicle in all geographic

areas in which your Waterloo Turf Business may provide Approved Products and Services.

Subject to applicable law, we will require that you obtain signed a Confidentiality Agreement [and Covenants Not to Compete] in the form attached to the Development Agreement and Franchise Agreement from your Controlling Principal, General Manager (if any) and certain other Principals. In certain limited circumstances, we may also ask you to obtain signed Confidentiality Agreements (which exclude the noncompetition obligation) in the form attached to the Development Agreement and Franchise Agreement from any other members of the Training Team.

We require that your Controlling Principal and certain other Principals we designate sign the Personal Guaranty and Principals' Undertaking attached to the Development Agreement and each Franchise Agreement, and agree to personally guaranty your performance and payment obligations under the Development Agreement and each Franchise Agreement.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must open and operate your Waterloo Turf Business during the business hours and days of operation provided in the Brand Standards Manual, unless we provide you a written exception.

If there occurs a global, regional or local crisis such as a pandemic or other similar event, you must cooperate fully with us as to how we respond to the crisis, and you must implement any remediation plan we institute, which may include us requiring a temporary closure of your Waterloo Turf Business as part of the crisis remediation plan (whether or not all or other Waterloo Turf Businesses are required to temporarily close).

Waterloo Turf Businesses will serve all potential Customers in the Territory so there are no limitations on the Customers you may serve so long as their property is located in your Territory.

Unless otherwise agreed or prohibited by applicable law, you must offer to your Customers all of the products and services specified on our then current list of Approved Products and Services, which we may revise occasionally. You cannot offer any products or services that are not on our then current list of Approved Products and Services. Without our prior written approval, no other products and services other than the Approved Equipment and Supplies may be used, provided, offered or sold by your Waterloo Turf Business.

We reserve the right in the Franchise Agreement to modify the System and Marks from time to time, including, without limitation, the right to (1) add new and different Approved Equipment and Supplies and/or Approved Products and Services to the list of authorized Approved Equipment and Supplies and/or Approved Products and Services, (2) withdraw Approved Equipment and Supplies and/or Approved Products and Services from the list of authorized Approved Equipment and Supplies and/or Approved Products and Services, or to change their names, Brand Standards and/or image, (3) change the Trade Dress and Brand Standards for Approved Equipment and Supplies for the Waterloo Turf Business, including as to Vehicles for the Waterloo Turf Business, (4) add or change the Brand Standards for Customer engagement (including National Customers), (5) abandon the use of any Approved Equipment and Supplies and/or Approved Products and Services that we withdraw from the list of authorized Approved Equipment and Supplies and/or Approved Products and Services, and (6) require the use of new or different Technology and Information Systems, some of which may be paid for through the Technology Fee and some of which may require additional fees or costs to implement and use, and in all cases we will not be liable to you for any expenses or revenue losses associated with any modification to the System, including

but not limited to any modification to our current Brand Standards which adversely impacts your Waterloo Turf Business's revenues.

You will be required to promptly comply with and adopt, at your own expense, all such modifications to the Waterloo Turf Business. We will not be liable to Franchisee for any expenses or revenue losses associated with any modification to the System, including but not limited to any modification to our current Brand Standards which adversely impacts the Waterloo Turf Business's revenues. However, we will not require you to make capital expenditures to remodel the Office or overhaul the Approved Equipment and Supplies of the Waterloo Turf Business more often than every 5 years or at an expense that is in excess of 50% of the total original capital expenditure to develop and open the Waterloo Turf Business.

If we allow your Waterloo Turf Business to participate in any new Approved Equipment and Supplies and/or Approved Products and Services test, you must participate in the test in accordance with our Brand Standards and must discontinue offering any items that we decide not to add permanently to the authorized list of Approved Equipment and Supplies and/or Approved Products and Services.

If you develop or suggest an innovation or improvement that we decide to incorporate into the System, either temporarily or permanently, the innovation or improvement will become our Confidential Information and property without compensation.

You may not sell any Approved Products and Services to any wholesale customer, or sell any Approved Products and Services from catalogues or an internet website without our prior written permission. See Item 13.

Except as described above, there are no other restrictions on the Customers to whom you may offer or sell Approved Products and Services.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

THE FRANCHISE RELATIONSHIP

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
a. Length of the franchise term	Summary Pages and §12(a)	10 years.
b. Renewal or extension of the term	Summary Pages and §12(b)	Up to two 5 year successor terms.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
c. Requirements for franchisee to renew or extend	§12(b)	You must not be in default, and must give timely notice, pay a Renewal Fee, upgrade your Waterloo Turf Business, and sign our then-current form of franchise agreement (which may contain materially different terms and conditions from the original agreement), sign a general release and attend additional training, if we require.
d. Termination by franchisee	§16	You can terminate if there is an adverse change of law related to the ability to manufacture, distribute, advertise, offer or sell any proprietary Approved Equipment and Supplies and/or Approved Products and Services, and such adverse change of law materially affects your ability to enjoy the economic benefits of the Franchise Agreement. You may also have rights to terminate under applicable law.
e. Termination by franchisor without cause	Not Applicable	
f. Termination by franchisor with cause	§16	We can terminate if you commit any one of several listed violations. We can also terminate if there is an adverse change of law related to the ability to manufacture, distribute, advertise, offer or sell or use any proprietary Approved Equipment and Supplies and/or Approved Products and Services, and such adverse change of law materially affects our ability to enjoy the economic benefits of the Franchise Agreement.
g. “Cause” defined – curable defaults	§§ 2 and 16	You have 2, 5, 10, 15 or 30 days to cure, depending on the default, except for an unauthorized transfer you must cure before the transfer is complete and if you tamper with your Waterloo Turf Business’s information system, you must restore the system on notice.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
h. “Cause” defined – non-curable defaults	§§2 and 16	Such defaults include: breach of non-compete, covenants concerning the Brand Standards Manual, system or anti-corruption or anti-terrorism laws; abandon Waterloo Turf Business; fail to exercise options regarding death provision; allow 3 events of default to occur in a 12-month period; insolvency of you or your guarantor; a receiver is appointed for a substantial part of your assets.
i. Franchisee’s obligations on termination/non-renewal	§ 17	Such obligations include discontinuance of use of trademarks, copyrighted materials, the System and trade secrets, return Brand Standards Manual, removal of trade dress, assignment of lease, sale of FF&E.
j. Assignment of contract by franchisor	§15	No restriction on our right to transfer.
k. “Transfer” by franchisee - defined	§§ 2 and 15(b)	Includes transfer of contract or assets or any ownership change.
l. Franchisor approval of transfer by franchisee	§15(b)	Transfer requires our prior written consent.
m. Conditions for franchisor approval of transfer	§§ 15(c) and 15(d)	Conditions include: you are not in default; new transferee and Principals, if applicable, qualify to own a new Waterloo Turf Business; asset transfer is complete disposition of franchise; Brand Standards Manual and copyrighted materials are returned; sign general release; transferee satisfactorily completes training and meets all of our other requirements; sign then-current form of franchise agreement; transfer fee is paid; payment terms are provided; profit and loss and cash flow projections are provided; and Principals sign guarantees.
n. Franchisor’s right of first refusal to acquire franchisee’s business	§15(e)	We have option for 45 days to purchase on same terms and conditions offered to third party.
o. Franchisor’s option to purchase franchisee’s business	§§ 15(e), 15(f) and 17(j)	Applies if you want to transfer, we require new management after a death, your Principals do not comply with the required provisions after a death, on expiration of the Franchise Agreement, and on termination of the Franchise Agreement.
p. Death or disability of franchisee	§ 15(f)	We must approve new management and if not approved, franchise must be sold.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
q. Non-competition covenants during the term of the franchise	§ 14(b)	Subject to applicable state law, no involvement during the term in a competing business which is located (i) at the Waterloo Turf Business Address; or (ii) within the Territory, or (iii) within 25 miles of the perimeter of the Territory, or (iv) within 25 miles of the home or office premises of any other Waterloo Turf Business; or (v) within the United States of America; or (vi) within the world. A competing business is defined as any residential or commercial artificial turf business whose primary focus is performing, offering and/or selling products and services similar to the Approved Products and Services to third parties through any means of distribution.
r. Non-competition covenants after the franchise is terminated or expires	§ 14(b)	Subject to applicable state law, no involvement during the two year period following the term in a competing business which is located (i) at the former Waterloo Turf Business Address; or (ii) within the former Territory, or (iii) within 25 miles of the perimeter of the former Territory, or (iv) within 25 miles of the home or office premises of any other Waterloo Turf Business.
s. Modification of the agreement	§ 23(e)	No changes unless mutually agreed to in writing.
t. Integration/ merger clause	§ 25(a)	Only the terms of the Franchise/Development Agreement and other related written agreements signed by the parties are binding (subject to applicable state law). Any representations or promises outside of the disclosure document and franchise/Development Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Not Applicable	

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
v. Choice of forum	§ 20(b)	Subject to applicable state law, the state and federal courts located in the county in which Franchisor has its then current principal place of business (currently the U.S. District Court for the Western District of Texas, Austin Division, or the state courts in Austin, Texas). But see state specific amendments to the Franchise Agreement.
w. Choice of law	§ 20(a)	Subject to applicable state law, Texas law. But see state specific amendments to the Franchise Agreement.

The table below lists certain important provisions of the Development Agreement. You should read these provisions in the agreement attached to this disclosure document.

PROVISION	SECTION IN DEVELOPMENT AGREEMENT	SUMMARY
a. Length of the franchise term	Summary Pages and § 2	From effective date until the earlier of the required opening date for the last Waterloo Turf Business you are required to open or the date your last Waterloo Turf Business actually opens and has been approved by us for operation.
b. Renewal or extension of the term	Summary Pages, §§ 2, 6 and 12(b-d)	You may apply for one 75-day extension and pay the extension fee.
c. Requirements for franchisee to renew or extend	Not Applicable	
d. Termination by franchisee	§12	You can terminate if there is an adverse change of law related to the ability to manufacture, distribute, advertise, offer or sell any proprietary Approved FF&E and Food, and such adverse change of law materially affects your ability to enjoy the economic benefits of the Development Agreement. You may also have rights to terminate under applicable law.
e. Termination by franchisor without cause	Not Applicable	

PROVISION	SECTION IN DEVELOPMENT AGREEMENT	SUMMARY
f. Termination by franchisor with cause	§12	We can terminate if you commit any one of several listed violations, but a default related to the Development Schedule under a Development Agreement with us will not give rise to a default under any Franchise Agreement. We can also terminate if there is an adverse change of law related to the ability to manufacture, distribute, advertise, offer or sell any proprietary Approved Equipment and Supplies and/or Approved Products and Services, and such adverse change of law materially affects our ability to enjoy the economic benefits of the Development Agreement.
g. “Cause” defined – curable defaults	Not Applicable	
h. “Cause” defined – non-curable defaults	§12	Such defaults include: starting development without approval; failing to timely secure sites or open Waterloo Turf Businesses; allowing any Waterloo Turf Business Franchise Agreement to be terminated for cause or be terminable for cause due to the passage of an applicable cure period; receiving three or more default notices in any calendar year; attempting or effecting an improper transfer; breaching the non-competition covenant; breaching the anti-terrorist and money laundering covenants; or failing to comply with the Business Entity requirements, but a default related to the Development Schedule under a Development Agreement with us will not give rise to a default under any Franchise Agreement.
i. Franchisee’s obligations on termination/non-renewal	Not Applicable	
j. Assignment of contract by franchisor	§13(a)	No restriction on our right to assign.
k. “Transfer” by franchisee - defined	§§ 2 and 13(b)	Includes transfer of contract or assets or any ownership change.
l. Franchisor approval of transfer by franchisee	§13(b)	Transfer requires our prior written consent.

PROVISION	SECTION IN DEVELOPMENT AGREEMENT	SUMMARY
m. Conditions for franchisor approval of transfer	§§ 13(c) and 13(d)	Conditions include: you are not in default; asset transfer is complete disposition of franchise; Brand Standards Manual and copyrighted materials are returned; transferee meets qualifications to be a developer; certain Principals sign guarantees; compliance with transfer requirements under developer's franchise agreements.
n. Franchisor's right of first refusal to acquire franchisee's business	§§ 13(e)	Applies if you want to transfer, we require new management after a death, your Principals do not comply with the required provisions after a death, and on termination of the Development Agreement.
o. Franchisor's option to purchase franchisee's business	None	
p. Death or disability of franchisee	§13(f)	We must approve new management and if not approved, development rights must be sold.
q. Non-competition covenants during the term of the franchise	§10(b) and <u>Exhibit B</u>	Subject to applicable state law, no involvement during the term in a competing business which is located (i) at the Waterloo Turf Business Address of any Waterloo Turf Business developed pursuant to this Agreement; or (ii) within the Development Area, or (iii) within 25 miles of the perimeter of the Development Area, or (iv) within 25 miles of the perimeter of the "Development Area" or "Territory" of any other Waterloo Turf Business; or (v) within the "Development Area" of any other Waterloo Turf Business franchisee; (vi) within the United States of America; or (vii) within the world. A competing business is defined as any residential or commercial artificial turf business whose primary focus is performing, offering and/or selling products and services similar to the Approved Products and Services to third parties through any means of distribution.

PROVISION	SECTION IN DEVELOPMENT AGREEMENT	SUMMARY
r. Non-competition covenants after the franchise is terminated or expires	§10(c)	Subject to applicable state law, no involvement during the two year period following the term in a competing business which is located (i) at the Waterloo Turf Business Address of any existing or former Waterloo Turf Business developed pursuant to this Agreement; or (ii) within the former Development Area, or (iii) within 25 miles of the perimeter of the former Development Area, or (iv) within 25 miles of the home or office premises of any other Waterloo Turf Business.
s. Modification of the agreement	§16(f)	No changes unless mutually agreed to in writing.
t. Integration/ merger clause	§18(b)	Only written terms of Development Agreement and of the exhibits referred to are binding (subject to applicable state law). Any representations or promises outside the Disclosure Document and Development Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Not Applicable	
v. Choice of forum	§14(b)	Subject to applicable state law, the state and federal courts located in the county in which Franchisor has its then current principal place of business (currently the U.S. District Court for the Western District of Texas, Austin Division, or the state courts in Austin, Texas). But see state specific amendments to the Development Agreement.
w. Choice of law	§14(a)	Subject to applicable state law, Texas law. But see state specific amendments to the Development Agreement.

ITEM 18 PUBLIC FIGURES

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

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance

information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

TABLES 1, 2, 3, 4 AND 5
ANALYSIS OF HISTORICAL GROSS SALES, COST AND NET INCOME INFORMATION
FOR COMPANY-AFFILIATED WATERLOO TURF BUSINESSES
IN AUSTIN, TEXAS AND SAN ANTONIO, TEXAS
FOR THE PERIODS FROM JANUARY 1, 2023 TO DECEMBER 31, 2023,
FROM JANUARY 1, 2024 TO DECEMBER 31, 2024 AND FROM JANUARY 1, 2025 TO
DECEMBER 31, 2025

This analysis contains historical Gross Sales, cost and net income information incurred in operating the company-affiliated Waterloo Turf Business located in Austin, Texas during the twelve-month period beginning January 1, 2023 and ended December 31, 2023, the twelve-month period beginning January 1, 2024 and ended December 31, 2024 and the twelve-month period beginning January 1, 2025 and ended December 31, 2025 (the “Austin Waterloo Turf Business”) and the company-affiliated Waterloo Turf Business located in San Antonio, Texas during the twelve-month period beginning January 1, 2024 and ended December 31, 2024 and the twelve-month period beginning January 1, 2025 and ended December 31, 2025 (the “San Antonio Waterloo Turf Business”).

This analysis excludes the 26 franchised Waterloo Turf Businesses that were open at the end of our last fiscal year ended December 31, 2025 because none of the 26 franchised Waterloo Turf Businesses were open the entire twelve-month period beginning January 1, 2025 and ended December 31, 2025.

The Gross Sales, costs and net income information in Table 1 was prepared based on the results of the Austin Waterloo Turf Business that was open and operating for the entire 2023 calendar year. The Gross Sales, costs and net income information in Table 2 was prepared based on the results of the Austin Waterloo Turf Business that was open and operating for the entire 2024 calendar year. The Gross Sales, costs and net income information in Table 3 was prepared based on the results of the Austin Waterloo Turf Business that was open and operating for the entire 2025 calendar year. The Gross Sales, costs and net income information in Table 4 was prepared based on the results of the San Antonio Waterloo Turf Business that was open and operating for the entire 2024 calendar year. The Gross Sales, costs and net income information in Table 5 was prepared based on the results of the San Antonio Waterloo Turf Business that was open and operating for the entire 2025 calendar year.

The Austin Waterloo Turf Business began operations in March 2021. The San Antonio Waterloo Turf Business began operations in December 2023.

While the Austin Waterloo Turf Business and San Antonio Waterloo Turf Businesses in this analysis offers substantially the same products and services that a franchised Waterloo Turf Business will offer, the Austin Waterloo Turf Business is comprised of approximately 2.55 Territories of the type of Territory that will be offered to you under this disclosure document and the San Antonio Waterloo Turf Business is comprised of approximately 2 Territories of the type of Territory that will be offered to you under this disclosure document. Therefore, the Austin Waterloo Turf Business and San Antonio Waterloo Turf Businesses do not represent the population or size of the Territory that you will be offered for your franchised Waterloo Turf Business.

For these reasons, we have included Gross Sales both when measured as a whole for the Austin Waterloo Turf Business and San Antonio Waterloo Turf Business then also Gross Sales when measured by the current Territory size to show the Austin Waterloo Turf Business and San Antonio Waterloo Turf Business Gross Sales based on the population of the Territory that will be purchased by the franchisees. However, with respect to costs, our information and experience reflects that there is no material difference in general costs as a percentage of sales whether reflecting the actual Gross Sales of the Austin Waterloo Turf Business and San Antonio Waterloo Turf Business or the Gross Sales of the Austin Waterloo Turf Business and San Antonio Waterloo Turf Business when measured by the population or size of the Territory that will be purchased by the franchisees.

The Austin Waterloo Turf Business and San Antonio Waterloo Turf Business did not pay any Royalty Fees, National Brand Fund contributions or Technology Fees, and did not have any mandatory Local Ad Expenditure. See Item 6. Accordingly, the amounts depicted below also show what the Austin Waterloo Turf Business and San Antonio Waterloo Turf Business would have paid had it operated as a franchisee under this offering. However, the Austin Waterloo Turf Business and San Antonio Waterloo Turf Business did incur costs for advertising and technology (similar to fees and costs you will incur as a franchisee) and also had certain expenses that you would not likely incur as a franchisee. Accordingly, those amounts are discussed in the notes to the Tables and treated as Add Backs and subtracted from the performance numbers for the Austin Waterloo Turf Business and San Antonio Waterloo Turf Business.

Gross Sales are as defined in the Franchise Agreement, namely Gross Sales means the “aggregate of all revenue and income of Franchisee from whatever source derived, whether or not collected by Franchisor or Franchisee and whether it is in the form of check, cash, credit or otherwise, arising out of, in connection with or relating to Franchisee’s Waterloo Turf Business including, without limitation, (a) income from the sale of any Approved Products and Services sold from or through the Waterloo Turf Business; (b) income from any other products or services provided to Customers; and (c) all proceeds from any business interruption insurance, but excluding i) all refunds, cancellation fees and discounts made in good faith to a Customer; ii) any sales, goods and services and equivalent taxes which are collected by Franchisee for or on behalf of any Governmental Authority and actually remitted to such Governmental Authority; iii) tips paid by Customers to Waterloo Turf Business personnel; and iv) the value of any gift card, coupon, voucher or other allowance authorized by Franchisor and issued or granted to Customers of Franchisee’s Waterloo Turf Business which is received or credited by Franchisee in full or partial satisfaction of the price of any Approved Products and Services offered in connection with Franchisee’s Waterloo Turf Business.”

Table 1
Austin Waterloo Turf Business
(January 1, 2023 to December 31, 2023)

Category	Total	Percentage of Gross Sales (selected costs)
Income		
Services	\$1,062,925.66	
Unapplied Cash Payment Income	\$21,090.46	
Gross Sales (see * below)	\$1,084,016.12	
Cost of Goods Sold		
Contractors	\$390,156.17	
Cost of Goods Sold		

Equipment Rental	\$2,522.21	
Total Cost of Goods Sold	\$2,522.21	
Job Supplies	\$294,992.81	
Total Cost of Goods Sold	\$687,671.19	
Gross Profit	\$396,344.93	36.56%
Expenses		
Advertising & Marketing	\$38,973.85	3.60%
Bank Charges & Fees	\$1,474.90	
Car & Truck		
Mileage Reimbursements	\$12,281.91	
Parking & Tolls	\$379.00	
Total Car & Truck	\$12,660.91	
Charitable Contributions	\$840.00	
Computer & Internet	\$313.53	
Insurance	\$6,266.53	
Legal & Professional Services	\$17,463.95	
Meals & Entertainment	\$2,424.71	
Office Supplies & Software	\$3,275.41	
Payroll Expenses		
Payroll Processing Fees	\$588.48	
Payroll Tax	\$6,051.93	
Wages	\$75,384.54	
Total Payroll Expenses	\$82,024.95	
QuickBooks Payments Fees	\$4,593.26	
Reimbursable Expenses	\$19,894.50	
Shipping and Postage	\$89.29	
Total Expenses	\$190,295.79	
Net Operating Income	\$206,049.14	
Net Income	\$206,049.14	
<i>Franchise Adjustments</i>		
<i>Royalty Fees</i>	<i>\$65,040.97</i>	
<i>National Brand Fund Contributions</i>	<i>\$21,680.32</i>	
<i>Local Ad Expenditures</i>	<i>See Note 6</i>	
<i>Technology Fee</i>	<i>\$7,200</i>	
<i>Net Income After Franchise Adjustments</i>	<i>\$112,127.85</i>	<i>10.34%</i>
<i>Add Backs</i>	<i>\$48,898.57</i>	
<i>Net Income After Add Backs and Adjustments</i>	<i>\$161,026.42</i>	<i>14.85%</i>

*As noted above, the Austin Waterloo Turf Business is larger than the current prototype size of Territory (350,000 persons). The Austin Waterloo Turf Business services approximately 893,770 persons and its Gross Sales during the 2023 calendar year when reduced down to and measured by the current prototype size of Territory (350,000 persons) is approximately \$425,104.36 (based on approximately 2.55 350,000 person Territories).

Table 2
Austin Waterloo Turf Business
(January 1, 2024 to December 31, 2024)

Category	Total	Percentage of Gross Sales (selected costs)
Income		
Discounts given	-\$5.00	
Services	\$1,294,837.42	
Unapplied Cash Payment Income	-\$4,326.24	
Uncategorized Income	\$0.00	
Gross Sales	\$1,290,506.18	
Cost of Goods Sold		
Cost of Goods Sold		
Contractors	\$357,383.00	
Equipment Rental	\$735.27	
Job Supplies	\$440,176.21	
Total Cost of Goods Sold	\$798,294.48	
Total Cost of Goods Sold	\$798,294.48	
Gross Profit	\$492,211.70	38.14%
Expenses		
Advertising & Marketing	\$36,427.45	2.82%
Bank Charges & Fees	\$86.92	
Total Car & Truck	\$3,537.66	
Charitable Contributions	\$2,042.06	
Insurance	\$17,744.22	
Interest Paid	-\$4.68	
Legal & Professional Services	\$25,651.70	
Meals & Entertainment	\$3,685.44	
Office Supplies & Software	\$2,934.28	
Payroll Expenses		
Payroll Processing Fees	\$746.13	
Payroll Tax	\$11,388.81	
Wages	\$114,525.31	

Total Payroll Expenses	\$126,660.25	9.81%
QuickBooks Payments Fees	\$3,550.65	
Shipping and Postage	\$10.22	
Storage	\$850.00	
Travel	\$70.00	
Uniforms	\$1,684.65	
Total Expenses	\$224,930.82	
Net Operating Income	\$267,280.88	
Other Income		
Interest Income	\$36.76	
Other Income	\$2,000.00	
Sales Tax Discount	\$115.92	
Total Other Income	\$2,152.68	
Net Other Income	\$2,152.68	
Net Income	\$269,433.56	20.88%
Franchise Adjustments		
<i>Royalty @ 6%</i>	\$77,430.37	
<i>Brand Fund @ 2%</i>	\$25,810.12	
<i>Local Ad Expenditure</i>	\$2,287.74	
<i>Tech Fee</i>	\$7,200.00	
<i>Large Franchisee Royalty Break</i>	-\$2,812.13	
Net Income after Franchise Adjustments	\$159,517.46	12.36%
Add Backs	\$42,313.48	
Net Income after Add Backs and Franchise Adjustments	\$201,830.94	15.64%

* As noted above, the Austin Waterloo Turf Business is larger than the current prototype size of Territory (350,000 persons). The Austin Waterloo Turf Business services approximately 893,770 persons and its Gross Sales during the 2024 partial calendar year when reduced down to and measured by the current prototype size of Territory (350,000 persons) is approximately \$506,080.85 (based on approximately 2.55 350,000 person Territories).

Table 3
Austin Waterloo Turf Business
(January 1, 2025 to December 31, 2025)

Category	Total	Percentage of Gross Sales
Income		
Discounts given	-\$2,351.70	
Services	\$1,474,056.59	
Tip Income	\$2,913.97	
Unapplied Cash Payment Income	-\$3,879.67	
Total for Income	\$1,470,739.19	
Cost of Goods Sold		
Cost of Goods Sold		
Contractors	\$328,232.95	
Equipment Rental	\$0.00	
Job Supplies	\$471,201.54	
Total for Cost of Goods Sold	\$799,434.49	
Total for Cost of Goods Sold	\$799,434.49	
Gross Profit	\$671,304.70	45.64%
Expenses		
Advertising & Marketing	\$56,370.16	
Website	\$5,066.30	
Total for Advertising & Marketing	\$61,436.46	4.18%
Bank Charges & Fees	\$307.73	
Car & Truck	\$4,328.78	
Auto Repair & Maintenance	\$1,108.78	
Parking & Tolls	\$386.69	
Vehicle Lease Payments	\$11,445.22	
Total for Car & Truck	\$17,269.47	
Computer & Internet	\$8.00	
Insurance	\$10,248.83	
Interest Paid	\$480.30	
Legal & Professional Services		
Accounting	\$17,813.90	
Legal Services	\$1,397.50	
Tax Services	\$3,244.00	
Total for Legal & Professional Services	\$22,455.40	
Meals & Entertainment	\$7,134.09	
Office Software	\$3,772.68	
Office Supplies	\$888.72	

Payroll Expenses		
Employee Tips	\$1,286.61	
Officer's compensation	\$0.00	
Officer's payroll tax	\$0.00	
Payroll Processing Fees	\$1,421.55	
Payroll Tax	\$8,703.83	
Reimbursement	\$7,800.46	
Wages	\$112,188.76	
Total for Payroll Expenses	\$131,401.21	8.93%
QuickBooks Payments Fees	\$591.70	
Travel	\$214.36	
Uniforms	\$15,722.58	
Total for Expenses	\$271,931.53	
Net Operating Income	\$399,373.17	
<i>Franchise Adjustments</i>		
<i>Royalty Fees</i>	\$88,244.35	
<i>National Brand Fund Contributions</i>	\$29,414.78	
<i>Technology Fees</i>	\$7,200.00	
<i>Net Income After Franchise Adjustments</i>	\$274,514.03	
<i>Add Backs</i>	\$38,642.83	
<i>Net Income After Add Backs and Franchise Adjustments</i>	\$313,156.86	21.3%

* As noted above, the Austin Waterloo Turf Business is larger than the current prototype size of Territory (350,000 persons). The Austin Waterloo Turf Business services approximately 893,770 persons and its Gross Sales during the 2025 partial calendar year when reduced down to and measured by the current prototype size of Territory (350,000 persons) is approximately \$576,760.47 (based on approximately 2.55 350,000 person Territories).

Table 4
San Antonio Waterloo Turf Business
(January 1, 2024 to December 31, 2024)

Category	Total	Percentage of Gross Sales (selected costs)
Income		
Discounts given	-\$5,411.07	
Sales	\$700,705.38	
Services	\$76,646.35	

Category	Total	Percentage of Gross Sales (selected costs)
Unapplied Cash Payment Income	-\$20.18	
Uncategorized Income	\$0.00	
Gross Sales	\$771,920.48	
Cost of Goods Sold		
Contractors	\$225,667.84	
Equipment Rental	\$1,081.54	
Job Supplies	\$250,656.13	
Total Cost of Goods Sold	\$477,405.51	
Gross Profit	\$294,514.97	38.15%
Expenses		
Advertising & Marketing	\$20,621.09	2.67%
Bank Charges & Fees	\$105.26	
Total Car & Truck	\$521.53	
Fees	\$264.71	
Fraudulent charges	\$59.39	
Legal & Professional Services	\$13,872.06	
Meals & Entertainment	\$1,164.19	
Office Supplies & Software	\$1,295.73	
Other Business Expenses	\$17,340.34	
Payroll Expenses		
Payroll Processing Fees	\$345.44	
Payroll Tax	\$6,891.34	
Wages & Commissions	\$55,130.73	
Total Payroll Expenses	\$62,367.51	8.08%
QuickBooks Payments Fees	\$3,039.90	
Reimbursable Expenses	\$266.00	
Uniforms	\$194.85	
Total Expenses	\$121,112.56	
Net Operating Income	\$173,402.41	
Other Income		
Sales Tax Discount	\$69.12	
Total Other Income	\$69.12	
Net Other Income	\$69.12	
Net Income	\$173,471.53	22.47%
Franchise Adjustments		

Category	Total	Percentage of Gross Sales (selected costs)
<i>Royalty @ 6%</i>	<i>\$46,315.23</i>	
<i>Brand Fund @ 2%</i>	<i>\$15,438.41</i>	
<i>Local Ad Expenditure</i>	<i>\$2,536.52</i>	
<i>Tech Fee</i>	<i>\$7,200.00</i>	
Net Income after Franchise Adjustments	\$101,981.37	13.21%
Add Backs	\$20,310.03	
Net Income after Add Backs and Franchise Adjustments	\$122,291.40	15.84%

* Gross Sales and related cost expenses only include installation and landscaping services, and not any maintenance services since maintenance services are not mandatory for your Waterloo Turf Business.

**As noted above, the San Antonio Waterloo Turf Business is larger than the current prototype size of Territory (350,000 persons). The San Antonio Waterloo Turf Business services approximately 670,770 persons and its Gross Sales during the 2024 partial calendar year when reduced down to and measured by the current prototype size of Territory (350,000 persons) is approximately \$385,960.24 (based on approximately 1.92 350,000 person Territories).

Table 5
San Antonio Waterloo Turf Business
(January 1, 2025 to December 31, 2025)

Category	Total	Percentage of Gross Sales (selected costs)
Income		
Deferred Revenue	-\$50,703.79	
Discounts given	-\$18,407.11	
Sales	\$683,373.66	
Services	\$799,650.33	
Total for Income	\$1,413,913.09	
Cost of Goods Sold		
Cost of Goods Sold	-\$150.00	
Contractors	\$326,970.65	
Equipment Rental	\$3,634.26	
Job Supplies	\$582,680.95	
Trash Hauling	\$1,400.00	

Category	Total	Percentage of Gross Sales (selected costs)
Water & Ice	\$26.84	
Total for Cost of Goods Sold	\$914,562.70	
Warranty Work	\$5,410.00	
Total for Cost of Goods Sold	\$919,972.70	
Gross Profit	\$493,940.39	35%
Expenses		
Advertising & Marketing	\$37,553.65	4.7%
Bank Charges & Fees	\$225.00	
Car & Truck	\$73.80	
Auto Repairs & Maintenance	\$1,071.97	
Fuel	\$2,571.63	
Vehicle Lease	\$8,267.76	
Total for Car & Truck	\$11,985.16	
Charitable Contributions	\$3,295.00	
Client Gifts	\$134.92	
Insurance	\$2,448.98	
Jobber Payment Fees	\$8,982.30	
Legal & Professional Services	\$24,449.56	
Meals & Entertainment	\$1,443.17	
Office Supplies & Software	\$6,123.22	
Parking	\$5.41	
Payroll Expenses		
Payroll Processing Fees	\$730.64	
Payroll Tax	\$8,584.12	
Wages	\$120,695.65	
Total for Payroll Expenses	\$130,010.41	9%
QuickBooks Payments Fees	\$254.12	
Reimbursable Expenses	\$59.84	
Travel	\$447.30	
Uniforms	\$3,218.20	
Utilities		
Telephone	\$878.92	
Total for Utilities	\$878.92	
Total for Expenses	\$231,515.16	
Net Operating Income	\$262,425.23	
Other Income		
Sales Tax Discount	\$270.94	

Category	Total	Percentage of Gross Sales (selected costs)
Total for Other Income	\$270.94	
Net Other Income	\$270.94	
Net Income	\$262,696.17	
<i>Franchise Adjustments</i>		
<i>Royalty Fees</i>	\$84,834.79	
<i>National Brand Fund Contributions</i>	\$28,278.26	
<i>Technology Fees</i>	\$7,200.00	
<i>Large Franchisee Royalty Break</i>	\$6,923.26	
<i>Net Income After Franchise Adjustments</i>	\$149,306.38	
Add Backs	\$35,818.09	
Net Income After Add Backs and Franchise Adjustments as GM Model	\$185,124.47	13.1%
Net Income After Add Backs and Franchise Adjustments as Owner Operator Model	\$308,211.62	22%

*Payroll is normalized for a non-officer in GM Model

**Payroll and Large Franchisee Royalty Break are removed from Owner Operator Model

*** * Gross Sales and related cost expenses only include installation and landscaping services, and not any maintenance services since maintenance services are not mandatory for your Waterloo Turf Business.

**** As noted above, the San Antonio Waterloo Turf Business is larger than the current prototype size of Territory (350,000 persons). The San Antonio Waterloo Turf Business services approximately 670,770 persons and its Gross Sales during the 2025 partial calendar year when reduced down to and measured by the current prototype size of Territory (350,000 persons) is approximately \$736,413.074 (based on approximately 1.92 350,000 person Territories).

Notes to Tables 1, 2, 3 4 and 5:

1. The Austin Waterloo Turf Business costs include salaries and related benefits for a territory manager for sales and a project management. The San Antonio Waterloo Turf Business costs include salaries and related benefits for a territory manager for sales and a project management. Your franchised Waterloo Turf Business may not incur these personnel costs.
2. Royalty Fees are currently 6% of Gross Sales.
3. National Brand Fund contributions are currently 2% of Gross Sales.
4. Local Ad Expenditures are currently 3% of Gross Sales.

5. Technology Fees are based on an amount we set for each calendar year based on our then current estimated costs payable in installments each Accounting Period; currently \$600 per month per franchised Waterloo Turf Business.
6. The advertising and marketing based costs of the Austin Waterloo Turf Business during the 2023 fiscal year were greater than the Local Ad Expenditure you are required to make under your franchise agreement.
7. Add Backs are (a) costs that are similar to those in the Franchise Adjustments that were incurred by the Austin Waterloo Turf Business and/or San Antonio Waterloo Turf Business even though not under the franchise framework during the relevant fiscal year and (b) costs that were incurred by the Austin Waterloo Turf Business and/or San Antonio Waterloo Turf Business during the relevant fiscal year that would not normally be accrued by a typical franchisee.

During the 2023 fiscal year, these Add Backs for the Austin Waterloo Turf Business include Charitable Contribution of \$840, Office Supply & Software of \$3,275.41 (Replaced by Tech Fee), Legal and Professional Fees of \$17,463.95, Reimbursable Expenses of \$19,894.50 and Mileage of \$5,000.

During the 2024 fiscal year, these Add Backs for the Austin Waterloo Turf Business include Add Backs: Charitable Contributions of \$2,042.06, Legal and Professional Services of \$25,651.70, Meals and Entertainment of \$3,685.44, Office Supply and Software of \$2,934.28, Insurance of \$8,000.00. During the 2024 fiscal year, these Add Backs for the San Antonio Waterloo Turf Business include Fraudulent Charges of \$59.39, Legal & Professional Services of \$13,872.06, Meals & Entertainment of \$1,164.19, Office Supplies & Software of \$1,295.73, Reimbursable Expenses of \$266.00, Other Business Expenses of \$3,652.66.

During the 2025 fiscal year, these Add Backs for the Austin Waterloo Turf Business include Add Backs: Website of \$5,066.30, Accounting of \$17,813.90, Legal Services of \$1,397.50, Tax Services of \$3,244.00, Meals & Entertainment of \$7,134.09, Office Software of \$3,772.68, Travel of \$214.36. During the 2025 fiscal year, these Add Backs for the San Antonio Waterloo Turf Business include Charitable Contributions of \$3,295.00, Legal & Professional Services of \$24,449.56, Meals & Entertainment of \$1,443.17, Office Supplies & Software of \$6,123.22, Reimbursable Expenses of \$59.84, Travel of \$447.30.

TABLE 6
AVERAGE DAYS TO FIRST DOLLAR FOR ALL FRANCHISED WATERLOO TURF
BUSINESSES OPENED IN FISCAL YEAR 2025

As noted above and in Item 20 below, 26 franchised Waterloo Turf Businesses were open at the end of our last fiscal year ended December 31, 2025, but none of the 26 franchised Waterloo Turf Businesses were open the entire twelve-month period beginning January 1, 2025 and ended December 31, 2025. These 26 franchised Waterloo Turf Business were opened by 8 different franchisees.

The analysis in the below chart reflects, for each of the 8 franchisees who operated one or more of the 26 franchised Waterloo Turf Businesses, the total number of days from signing their Franchise Agreement to

the day that each franchisee collected their first dollar from operations of their Waterloo Turf Business.

Franchised Waterloo Turf Business Location	Number of Days from Signing the Franchise Agreement to Collecting First Dollar
Fort Worth	80
Scottsdale	118
Houston	42
South Nashville	69
Dallas	45
Waco/College Station	59
Boise	114
Fort Collins	108
Average Number of Days	79
Median Number of Days	74.5
Low End Number of Days	42
High End Number of Days	118

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Some outlets have earned this much. Your individual results may vary. There is no assurance you'll earn as much.

Except as noted above, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Tim Lovett at 11701 Bee Caves Road, Suite 180, Austin, Texas 78734 and 512-343-0938, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE 1
SYSTEMWIDE OUTLET SUMMARY
FOR FISCAL YEARS 2023 TO 2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	0	0	0
	2024	0	0	0
	2025	0	26	+26
Company-Owned**	2023	3	5	+2
	2024	5	5	0
	2025	5	5	0
Total Outlets	2023	3	5	+2
	2024	5	5	0
	2025	5	31	+26

*We began franchising in December 2024.

** We do not own or operate any Waterloo Turf Businesses, but we treat the Waterloo Turf Businesses owned and operated by WT and Waterloo Turf Business Founder Lance Ingram as company-affiliated units for purposes of these Item 20 charts even though we do not have management or operational control of the WT owned Waterloo Turf Businesses.

TABLE 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR YEARS 2023 TO 2025

State	Year	Number of Transfers
Texas	2023	0
	2024	0
	2025	5
Total	2023	0
	2024	0
	2025	5

Table 3
STATUS OF FRANCHISED OUTLETS
FOR YEARS 2023 TO 2025

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Arizona	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	2	0	0	0	0	2
Colorado	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	3	0	0	0	0	3
Idaho	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	2	0	0	0	0	2
Tennessee	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	3	0	0	0	0	3
Texas	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	16	0	0	0	0	16
Total	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	26	0	0	0	0	26

TABLE 4
STATUS OF COMPANY-OWNED OUTLETS
FOR YEARS 2023 TO 2025*

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Texas	2023	3	2	0	0	0	5
	2024	5	0	0	0	0	5
	2025	5	0	0	0	0	5

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Total	2023	3	2	0	0	0	5
	2024	5	0	0	0	0	5
	2025	5	0	0	0	0	5

* We do not own or operate any Waterloo Turf Businesses, but we treat the Waterloo Turf Businesses owned and operated by WT and Waterloo Turf Business Founder Lance Ingram as company-affiliated units for purposes of these Item 20 charts even though we do not have management or operational control of the WT owned Waterloo Turf Businesses.

Table 5
Projected Openings as of December 31, 2025, For 2026

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchise Outlets	Projected New Company-Owned Outlets
Arizona	0	0	0
Colorado	3	3	0
Florida	5	5	0
Georgia	6	6	0
Idaho	0	0	0
Indiana	0	0	0
Tennessee	0	0	0
Texas	4	4	0
Total	18	18	0

List of Franchisees; List of Former Franchisees

Exhibit G to this disclosure document contains a list of franchisees that operated a Waterloo Turf Business as of December 31, 2025.

Exhibit H to this disclosure document contains a list of franchisees that operated a Waterloo Turf Business who were terminated, not renewed, or voluntarily or involuntarily ceased to do business under a franchise or other agreement during the last fiscal year ended December 31, 2025, or who failed to communicate with us during the 10 weeks preceding the date of this disclosure document.

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

Purchase of Previously-Owned Franchise

If you are purchasing a previously-owned franchised outlet, we will provide you additional information on the previously-owned franchised outlet in an addendum to this disclosure document.

Confidentiality Clauses

During the last 3 fiscal years, we have signed agreements with franchisees that contain confidentiality clauses that would restrict a franchisee's ability to speak openly about their experience.

Trademark-Specific Franchisee Organizations

We are not currently aware of any trademark-specific franchisee organizations associated with the franchise system which we have created, sponsored or endorsed, or any independent franchisee organizations that have asked to be included in this disclosure document.

ITEM 21 FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit I are the following financial statements:

1. Our audited financial statements as of the year ended December 31, 2025.
2. Our audited financial statements as of the year ended December 31, 2024.
3. Our unaudited opening balance sheet dated November 30, 2024.

Please note that we have only been in existence since August 2024 and did not start franchising until December 2024, and therefore do not have a balance sheet for two previous fiscal year-ends before this Disclosure Document issuance date or statements of operations, stockholders equity, and cash flows for three previous fiscal years.

Our fiscal year end is December 31st of each year.

ITEM 22 CONTRACTS

The following agreements are attached as exhibits to this disclosure document:

- Exhibit B – Franchise Agreement
- Exhibit C – Development Agreement
- Exhibit D – Applicant Confidentiality Agreement and Authorization
- Exhibit E – Franchise Application

ITEM 23 RECEIPTS

Exhibit L to this disclosure document includes detachable documents acknowledging your receipt of this disclosure document.

EXHIBIT A

STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

STATE ADMINISTRATORS

CALIFORNIA

Commissioner of Financial Protection and Innovation
Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013
(213) 576-7505 or (866) 275-2677
Website: <http://www.dfpi.ca.gov/>
Email: Ask.DFPI@dfpi.ca.gov

HAWAII

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

ILLINOIS

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

INDIANA

Franchise Section
Securities Division
302 W. Washington St., Room E 111
Indianapolis, Indiana 46204
(317) 232 6681

KENTUCKY

Office of the Attorney General
1024 Capital Center Drive
Frankfort, Kentucky 40602
(502) 696 5300

MARYLAND

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

MICHIGAN

Office of the Attorney General
Consumer Protection Division
Antitrust and Franchise Section
G. Mennen Williams Building, 7th Floor
525 W. Ottawa Street
Lansing, Michigan 48909
(517) 373-7117

MINNESOTA

Minnesota Department of Commerce
85 7th Place East, Suite 280
Saint Paul, MN 55101
(651) 539-1600

NEBRASKA

Department of Banking and Finance
1526 K Street, Suite 300
P.O. Box 95006
Lincoln, Nebraska 68509
(402) 471 3445

NEW YORK

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

NORTH DAKOTA

North Dakota Insurance & Securities Department
600 East Boulevard Avenue, Dept. 401
Bismarck, North Dakota 58505
Phone 701-328-2910

OREGON

Division of Consumer and Business Services
Finance and Corporate Securities
350 Winter Street N.E.
Labor and Industries Building, Room 21
Salem, Oregon 97310
(503) 378 4387

RHODE ISLAND

Securities Division
233 Richmond Street, Suite 232
Providence, Rhode Island 02903
(401) 222 3048

SOUTH DAKOTA

Department of Labor and Regulation
Division of Securities
124 S Euclid, Suite 104
Pierre, SD 57501
(605) 773-4823

TEXAS

Statutory Document Section
Secretary of State
P.O. Box 12887
Austin, Texas 78711
(512) 475 1769

UTAH

Division of Consumer Protection
Utah Department of Commerce
160 East Three Hundred South
P.O. Box 146704
Salt Lake City, Utah 84114
(801) 530 6601

VIRGINIA

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

WASHINGTON

Securities Division,
Department of Financial Institutions
PO Box 41200
Olympia, WA 98504-1200

WISCONSIN

Division of Securities
Department of Financial Institutions
P.O. Box 1768
Madison, Wisconsin 53701 or
201 W. Washington, Suite 300
Madison, Wisconsin 53703
(608) 266 8559

AGENTS FOR SERVICE OF PROCESS

CALIFORNIA

Commissioner of Financial Protection and Innovation
Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013
(213) 576-7505 or (866) 275-2677
Website: <http://www.dfpi.ca.gov/>
Email: Ask.DFPI@dfpi.ca.gov

HAWAII

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

ILLINOIS

Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706

INDIANA

Secretary of State
201 State House
200 W. Washington Street
Indianapolis, Indiana 46204

MARYLAND

Maryland Securities Commissioner
Office of the Attorney General
200 St. Paul Place
Baltimore, Maryland 21202

MICHIGAN

Department of Labor & Economic Growth
Commercial Services & Corporations Bureau
611 W. Ottawa Street
Lansing, Michigan 48909

MINNESOTA

Minnesota Department of Commerce
85 7th Place East, Suite 280
Saint Paul, MN 55101
(651) 539-1600

NEW YORK

Secretary of State of New York
99 Washington Avenue
Albany, NY 12231
(518) 473-2492

NORTH DAKOTA

Insurance Commissioner
North Dakota Insurance & Securities Department
600 East Boulevard Avenue, Dept. 401
Bismarck, North Dakota 58505
Phone 701-328-2910

OREGON

Director
Department of Consumer and Business Services
Division of Finance and Corporate Securities
Labor and Industries Building
Salem, Oregon 97310

RHODE ISLAND

Director
Department of Business Regulation
233 Richmond Street, Suite 232
Providence, Rhode Island 02903

SOUTH DAKOTA

Department of Labor and Regulation
Division of Securities
124 S Euclid, Suite 104
Pierre SD 57501

VIRGINIA

Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219

WASHINGTON

Director of Financial Institutions
Securities Division
150 Israel Rd. S.W.
Tumwater, Washington 98501

WISCONSIN

Commissioner of Securities
201 West Washington Avenue, Suite 300
Madison, Wisconsin 53703

EXHIBIT B

FRANCHISE AGREEMENT



WATERLOO TURF
FRANCHISE AGREEMENT

[INSERT DESCRIPTION OF TERRITORY]

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Summary Pages

Exhibits:

- A. Personal Guaranty and Principals' Undertaking
- B. Confidentiality Agreement [and Covenant Not to Compete]
- C. Authorization Agreement for Pre-Authorized Payments
- D. Map of the Target Area or Territory

State Addenda to Franchise Agreement

SUMMARY PAGES

Effective Date: _____

Franchisee: _____

Office Address (if/when known): _____

Phone Number: _____ Email Address: _____

Controlling Principal: _____

Term: 10 years from the Effective Date

Successor Franchises: up to 2 consecutive successor Franchise Agreements of 5 years

Territory: The geographic area encompassed within _____
_____ and reflected on the map attached as Exhibit E, as existing on the Effective Date.

Approved Equipment and Supplies Acquisition Date (45 days before Required Opening Date): _____

Required Opening Date (120 days from Effective Date): _____

Initial Franchise Fee (subject to full credit based on actual payment of the Development Area Rights Fee under the Development Agreement - *check the box as applicable*):

____ \$59,000

____ \$49,000

____ \$44,000

____ \$39,000

____ full credit of the Initial Franchise Fee is available under the Development Agreement

Artificial Turf Maintenance Services
(check if applicable):

____ \$1,000 Marketing Development Fee

Initial Training Fee: \$2,000 for each member of the Training Team that attends Franchisor's initial training program, payable at least 5 days before Franchisee's Training Team arrives for Franchisor's initial training program.

Opening Support Fee: \$4,000, payable at least 5 days before Franchisor's representative travels to Franchisee's Waterloo Turf Business.

Marketing Development Fee: \$5,000, payable at least 30 days before the anticipated Opening Date of the Waterloo Turf Business.

Royalty Fee: 6% of Gross Sales per Accounting Period from the Opening Date, subject to payment of the Minimum Annual Royalty Fee or to the Large Franchisee Royalty Break (as applicable).

Minimum Annual Royalty Fee: If after the first Agreement Year (defined below), Franchisee's annualized Gross Sales during any Agreement Year fall below the minimum annualized Gross Sales amount in the below chart then within 30 days following the end of the Agreement Year Franchisee must pay to Franchisor an additional amount of Royalty Fees to provide Franchisor with the same amount of Royalty Fee revenue

that Franchisor would have received if Franchisee had reached the minimum annualized Gross Sales during the relevant Agreement Year.

Agreement Year	Minimum Annualized Gross Sales During the Agreement Year
Agreement Year 1	None
Agreement Year 2	\$250,000
Agreement Year 3	\$320,000
Agreement Year 4 through the remainder of the initial term and any renewal term	\$400,000

Large Franchisee Royalty Break: If Franchisee or its Affiliates (if under common Control by the same or substantially the same ownership group and Controlling Principal) operate one or more Waterloo Turf Businesses that reach one or more of the below incremental Total Annual Gross Sales levels in any Agreement Year, then the standard Royalty Fee applied to such incremental Gross Sales for such Waterloo Turf Businesses will be as follows (provided that the Gross Sales of Waterloo Turf Businesses that are subject to the Minimum Annual Royalty Fee in any given Agreement Year will not be included when calculating total Annual Gross Sales for the aggregated Waterloo Turf Businesses):

Total Annual Gross Sales per Agreement Year for the Waterloo Turf Businesses	Royalty Fee (applied to incremental Gross Sales each Agreement Year)
\$0 to \$1,500,000	6%
\$1,500,001 to \$3,000,000	5.5%
\$3,000,001 to \$5,000,000	5%
\$5,000,001 to \$10,000,000	4.5%
\$10,000,001 and above	4%

Grand Opening Ad Expenditure: Up to \$10,000 in accordance with Section 10(a) of this Agreement.

Local Ad Expenditure: Currently 3% of Gross Sales; provided that Franchisor may increase the Local Ad Expenditure up to 5% of Gross Sales upon written notice to Franchisee in accordance with 10(b) of this Agreement.

National Brand Fund Contribution: Currently 2% of Gross Sales per Accounting Period; provided that Franchisor may increase the National Brand Fund Contribution up to 3% of Gross Sales upon written notice to Franchisee in accordance with Section 10(d) of this Agreement.

Non-Compliance Fees: \$1,000 for each deviation from a contractual requirement under this Agreement, including any Brand Standards, identified in writing by Franchisor, provided that the Non-Compliance Fee will double to \$2,000 if Franchisor discovers that the same (or a substantially similar) deviation on one or more consecutive, subsequent visits to or inspections of the Waterloo Turf Business and will double again to \$4,000 for the second and each subsequent repeat deviation. (The Non-Compliance Fee does not apply to payment defaults for which Franchisor may charge interest).

Technology Fee: An amount Franchisor sets for each calendar year based on its then current costs and payable in installments each calendar month; currently \$600 per calendar month, but in no case greater than \$1,200 per month during the initial term of the Franchise Agreement.

Transfer Fee: An amount equal to the greater of \$10,000 or 20% of Franchisor's then current initial franchise fee plus the actual amount of any third-party broker or referral fees and costs (if any).

Renewal Fee: An amount equal to the greater of \$10,000 or 20% of Franchisor's then current initial franchise fee

Addresses for Notices:

Franchisor: Waterloo Turf Franchising Co, LLC
11701 Bee Caves Road, Suite 180
Austin, Texas 78734
Email: tim@waterlooturf.com

Franchisee: Mailing address for Franchisee Corporate Office shown above.

Insurance Requirements:

Commercial general liability insurance, including products liability coverage, and broad form contractual liability coverage, written on an "occurrence" policy form in any amount of not less than \$1,000,000 combined single limit per occurrence and \$2,000,000 in the aggregate. Such insurance will insure the contractual liability of Franchisee under this Franchise Agreement.

Business automobile liability insurance written on an "occurrence" policy form in an amount of not less than \$1,000,000 combined single limit per occurrence and in the aggregate, including owned, leased, non-owned and hired automobile coverage (only required if Franchisee or any of its employees use an automobile in connection with any aspect of operating the Waterloo Turf Business or if one or more of the officers or other employees of Franchisee maintain automobiles which are owned or leased by Franchisee).

Workers' compensation insurance in the minimum amount mandated by Applicable Laws in Franchisee's state's law (if applicable), unless Franchisee's state requires or permits employers to participate in a state-administered insurance pool (in which case Franchisee either must or may adopt and maintain a qualifying plan, as applicable).

Ownership Information and Principals:

The following is a list of all members, stockholders, partners or other investors who have a direct or indirect ownership interest in Franchisee along with their respective percentage ownership and a description of their office/title/status:

Name	Percentage of Ownership	Office/Title/Status
1.		[Manager/Managing Member/Member/CEO/President/Board Member]
2.		[Manager/Managing Member/Member/CEO/President/Board Member]

3.		[Manager/Managing Member/Member/CEO/President/Board Member]
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The following is a list of Franchisee's "Principals" described in and designated pursuant to the Franchise Agreement. If Franchisor determine there is no Principal that is a Business Entity to execute the Corporate Guaranty, then unless otherwise agreed by Franchisor, one Principal designated by Franchisor will execute the Personal Guaranty and Principals' Undertaking form set forth in Exhibit A-2. All other Principals will execute the Confidentiality Agreement [and Covenant Not to Compete] form set forth in Exhibit B.

<u>Name</u>	<u>Address</u>
1.	
2.	
3.	
4.	
5.	
6.	

Delivery Date of Disclosure Document: _____, 20____.

WATERLOO TURF FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (as supplemented, amended or otherwise modified from time to time, this “**Agreement**”) is entered into by and between Franchisor and Franchisee and is effective as of the Effective Date. The Summary Pages to this Agreement are an integral part of this Agreement.

1. **Recitals.** Franchisor and its affiliates have, through the expenditure of time, skill, effort and money, developed the System for the establishment and operation of Waterloo Turf Businesses that offer and sell Approved Products and Services using Approved Equipment and Supplies. Franchisee desires to obtain the right, and Franchisor is willing to grant Franchisee the right, to operate a Waterloo Turf Business using the System and Marks in the Territory in accordance with the terms of this Agreement. The parties have entered into this Agreement to evidence the terms and conditions of their relationship.

2. **Definitions.** The following terms are used in this Agreement with the meanings assigned below:

“**Accounting Period**” means each 2 calendar week period during the Term; provided that Franchisor may change the Accounting Period during the Term upon 30 days’ prior written notice to Franchisee.

“**Action**” means a suit, proceeding, claim, demand, investigation, or inquiry, whether formal or informal.

“**Adverse Change of Law**” means the adoption, promulgation, modification or reinterpretation after the Effective Date by any Governmental Authority in the United States (as to Franchisor) or the state or local jurisdiction in which the Waterloo Turf Business is located (as to Franchisee), of any Applicable Laws which action materially and adversely affects Franchisor’s or Franchisee’s ability to enjoy the economic benefits of this Agreement or to enforce its rights hereunder or thereunder, including the ability to manufacture, distribute, purchase, lease, use, advertise, offer or sell any proprietary Approved Equipment and Supplies or Approved Products and Services. An Adverse Change of Law does not constitute an Event of Force Majeure.

“**Affiliate**” means a Person that controls, is controlled by or is under common control with another Person, either by virtue of equity ownership, by contract or by other means.

“**Agreement Year**” means each 12-month period during the term of this Agreement, beginning on the first day of the month following the Opening Date and continuing until the expiration or termination of this Agreement. A partial Agreement Year between the end of the last full Agreement Year and the termination or expiration of this Agreement will also constitute a separate Agreement Year.

“**Applicable Industry Regulations**” mean all applicable federal, state and local laws, rules and regulations that relate to the ownership or operation of a Waterloo Turf Business (if any), including as to the Approved Products and Services and/or Approved Equipment and Supplies.

“**Applicable Laws**” means any and all applicable provisions of any (a) constitution, treaties, statutes, laws (including the common law), codes, rules, regulations, ordinances or orders of any Governmental Authority, (b) approvals from any Governmental Authority and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Governmental Authority.

“Applicable Licensure” means any required license, certification, authorization or permit related to the performance, offering or sale of Approved Products and Services and/or use of Approved Equipment and Supplies in connection with the Waterloo Turf Business.

“Approved Equipment and Supplies” means all approved or permitted Vehicles, equipment (including Technology and Information Systems), signage, trade dress, paper products and other disposables, and any other related supplies and items that are used in developing and operating Waterloo Turf Businesses generally, but are not offered or sold to Customers of the Waterloo Turf Businesses. The Approved Equipment and Supplies may include items that are either branded with the Marks or developed, produced, created or manufactured using Franchisor’s or its Affiliates’ proprietary creations, Trade Secrets or other Confidential Information, and designated as proprietary by Franchisor from time to time in the Brand Standards Manual.

“Approved Products and Services” means all approved or permitted products and services offered and sold to Customers of Waterloo Turf Businesses generally, including specifically comprehensive residential and commercial artificial turf and surface products and related installation, landscaping and certain maintenance services, and which in certain instance may also include artificial turf maintenance services. Approved Products and Services may include items that are either branded with the Marks or developed, produced, created or manufactured using Franchisor’s or its Affiliates’ proprietary creations, Trade Secrets or other Confidential Information, and designated as proprietary by Franchisor from time to time in the Brand Standards Manual.

“Brand Standards” means the mandatory and suggested specifications, standards, operating procedures and rules that Franchisor prescribes from time to time for the development and operation of a Waterloo Turf Business and any other information Franchisor provides to Franchisee during the Term relating to Franchisee’s operation of the Waterloo Turf Business or to any other of Franchisee’s obligations under this Agreement and related agreements, whether or not provided in writing in the Brands Standards Manual.

“Brand Standards Manual” means and collectively includes all manuals, policy statements, directives, bulletins and memoranda that contain prescribed or recommended standards, procedures, policies and advice (i.e., the Brand Standards) relating to a Waterloo Turf Business’s development, operation or management, and the Approved Equipment and Supplies used in, and the Approved Products and Services offered and sold by, Waterloo Turf Businesses. The Brand Standards Manual discloses certain elements of Franchisor’s proprietary System, and its contents are and will remain Franchisor’s Trade Secrets and exclusive property.

“Business Entity” means a corporation, a general or limited partnership, a limited liability company or any other type of business entity.

“Charter Documents” means a corporation’s articles of incorporation, by-laws and shareholders agreement (if any); a partnership’s partnership agreement and, in the case of a limited partnership, its articles of limited partnership; a limited liability company’s articles of association and regulations or operating agreement; and comparable governing documents of any other type of business entity.

“Competing Business” means any residential or commercial artificial turf business whose primary focus is performing, offering and/or selling products and services similar to the Approved Products and Services to third parties through any means of distribution.

“Confidential Information” means Franchisor’s proprietary and confidential information relating to the development and operation or management of a Waterloo Turf Business, including:

1. Technology and Information Systems prescribed for use in a Waterloo Turf Business, including the Waterloo Turf Business Operating System (if applicable);
2. Identity of suppliers and knowledge of Brand Standards for and suppliers of Approved Equipment and Supplies and Approved Products and Services;
3. The Brand Standards, the Brand Standards Manual, any other proprietary materials and knowledge, know-how or experience used or obtained in developing and operating a Waterloo Turf Business;
4. Sales, marketing and advertising programs and techniques for a Waterloo Turf Business;
5. Knowledge of operating results and financial performance of a Waterloo Turf Business, other than Franchisee's Waterloo Turf Business;
6. Training policies and procedures;
7. Franchisor's culture and all initial and refresher training programs;
8. Site selection criteria (if any), general contractor and architect criteria and Trade Dress for Waterloo Turf Businesses, and plans and specification for the development of the Waterloo Turf Businesses;
9. Customer Information and other information (including earnings information) regarding Franchisor's personnel and Customers and those of other franchisees and licensees of Franchisor;
10. Franchisee recruiting methods and procedures, and selection criteria;
11. Business performance measurement systems;
12. Business planning process and procedures used by Franchisor and Franchisee related to the development of one or more Waterloo Turf Businesses; and
13. All other information that Franchisor provides Franchisee and designates proprietary or confidential, including information provided to Franchisee through the Waterloo Turf Business Intranet.

“Confidentiality Agreement [and Covenant Not to Compete]” means the Confidentiality Agreement [and Covenant Not to Compete] form attached to this Agreement as Exhibit B.

“Continuing Fees” means all Royalty Fees, National Brand Fund Contributions, Technology Fees and any other recurring or periodic fees and payments due under this Agreement.

“Control or Controlling Interest” means the possession, directly or indirectly, of the power to direct or cause the direction, of the management and policies of an entity, whether through ownership of voting securities, by contract or otherwise.

“Controlling Principal” means one of the Principals who meets Franchisor's requirements and is approved by Franchisor, and who is appointed by Franchisee to supervise and manage all aspects of Franchisee's business on a full-time, best efforts basis and to deal exclusively with Franchisor and its staff

for purposes of administering and coordinating the relationship created by this Agreement. Franchisee's first Controlling Principal is identified on the Summary Pages.

"Copyrighted Materials" refers to and includes all versions, variations and adaptations of the following materials in tangible form, either produced by Franchisor, produced on its behalf as works for hire, or derived from works produced by or on behalf of Franchisor: (i) all brand standards and manuals used in a Waterloo Turf Business's development, operation and marketing activities, including but not limited to the Brand Standards Manual, (ii) all initial training and other training materials (including printed, audio, video or electronic materials), (iii) Waterloo Turf Business plans and specifications, (iv) designs and graphics, (v) product and service identification posters, photographs and graphics, (vi) advertising and marketing materials, (vii) labels, forms and reports provided by Franchisor, (viii) any proprietary computer software developed for use in the operation or management of a Waterloo Turf Business, including but not limited to the Waterloo Turf Business Operating System (if applicable), (ix) all Trade Dress and Trade Dress elements for Approved Equipment and Supplies and Approved Products and Services for the Waterloo Turf Business, and (x) any other materials protected by copyright law or marked or identified by Franchisor as protected by copyright.

"Crisis Management Event" means any event that occurs at or otherwise involves the Waterloo Turf Business premises, or that occurs generally at a local, regional, national or even global scale, which has or may cause harm or injury to Customers or employees, such as contagious diseases, natural disasters, terrorist acts, shootings or other acts of violence, or any other similar circumstance which may materially and adversely affect the System or the goodwill symbolized by the Marks.

"Customer" means a customer of a Waterloo Turf Business, and includes National Customers.

"Customer Information" means any information that: (i) can be used (alone or when used in combination with other information within Franchisee's control) to identify, locate or contact an individual; or (ii) pertains in any way to an identified or identifiable individual. Customer Information can be in any media or format, including computerized or electronic records as well as paper-based files.

"Dispute" means any claim, controversy or dispute that arises under, or in relation to, this Agreement or concerns the relationship created by this Agreement.

"DMA" means Designated Market Area, an advertising term that Neilson Rating Service or its successor uses to demarcate the primary coverage of broadcast and print media in given markets. The boundaries of a particular DMA will be determined by reference to television coverage.

"Dollars" or "\$" means currency of the United States of America.

"Effective Date" means the date Franchisor signs this Agreement, as indicated in the Summary Pages and/or in its signature block.

"Event of Default" means any breach of this Agreement, including without limitation, those breaches expressly described in this Agreement.

"Event of Force Majeure" means acts of God, strikes, war, riot, epidemic, pandemic, fire or other natural catastrophe, terrorist acts or government actions resulting from terrorist acts, or other similar extraordinary or unnatural forces beyond Franchisee's or Franchisor's control which, as applicable, materially and adversely affect the condition, use or operation of the Waterloo Turf Business or which effect Franchisor's ability to perform its obligations under this Agreement.

“Franchise” means the right to develop and operate a Waterloo Turf Business in a specific agreed and defined Territory, as more fully described in this Agreement.

“Franchisee” means the Franchisee identified on the Summary Pages of this Agreement.

“Franchisor” means Waterloo Turf Franchising Co, LLC, a Texas limited liability company, or its successors and assigns to this Agreement.

“General Manager” means an individual appointed by Franchisee who meets Franchisor’s minimum requirements and who will supervise and manage the Waterloo Turf Business’s day-to-day operations if Franchisor has approved in writing that the Controlling Principal will not supervise and manage all aspects of the Waterloo Turf Business’s day-to-day operations on a full-time, best efforts basis. Franchisor may prohibit the engagement of a General Manager unless or until Franchisee and its Affiliates have at least 3 open and operating Waterloo Turf Businesses.

“Grand Opening Ad Expenditure” means the expenses to be incurred by Franchisee in connection with advertising and otherwise promoting the opening of the Waterloo Turf Business.

“Gross Sales” means the aggregate of all revenue and income of Franchisee from whatever source derived, whether or not collected by Franchisor or Franchisee and whether it is in the form of check, cash, credit or otherwise, arising out of, in connection with or relating to Franchisee’s Waterloo Turf Business including, without limitation, (a) income from the sale of any Approved Products and Services sold from or through the Waterloo Turf Business; (b) income from any other products or services provided to Customers; and (c) all proceeds from any business interruption insurance, but excluding i) all refunds, cancellation fees and discounts made in good faith to a Customer; ii) any sales, goods and services and equivalent taxes which are collected by Franchisee for or on behalf of any Governmental Authority and actually remitted to such Governmental Authority; iii) tips paid by Customers to Waterloo Turf Business personnel; and iv) the value of any gift card, coupon, voucher or other allowance authorized by Franchisor and issued or granted to Customers of Franchisee’s Waterloo Turf Business which is received or credited by Franchisee in full or partial satisfaction of the price of any Approved Products and Services offered in connection with Franchisee’s Waterloo Turf Business. Franchisor reserves the right to institute policies in the Brand Standards Manuals or otherwise in writing and from time to time, regarding the inclusion in Gross Sales of any pre-paid goods or services (including, without limitation, gift cards and gift certificates) and the delivery and redemption thereof.

“Governmental Authority” means in any jurisdiction where Franchisor or Franchisee carry on business or holds assets, any nation or government, any province, state or any other political subdivision thereof; any entity, authority or body exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, including, without limitation, any government authority, agency, department, board, commission or instrumentality of the United States of America or any political subdivision thereof; any court, tribunal or arbitrator; and any self-regulatory organization.

“Indemnified Parties” means Franchisor, its Affiliates, and their respective officers, directors, shareholders, partners, members, managers, agents, representatives, independent contractors, attorneys, accountants, employees, successors and assigns.

“Initial Franchise Fee” means the initial franchise fee identified on the Summary Pages of this Agreement payable in connection with the purchase of the Franchise, subject to credits based on actual payment of the Development Area Rights Fee under the Development Agreement.

“Initial Training Fee” means the initial training fee identified on the Summary Pages of this Agreement payable in connection with each member of the Training Team who attends Franchisor’s initial training program.

“Large Franchisee Royalty Break” means the incremental break on Royalty Fees described on the Summary Pages and in Section 5(e) of this Agreement (if applicable).

“Local Ad Expenditure” means the local advertising expenditure in the amount set forth on the Summary Pages.

“Losses and Expenses” means all compensatory, exemplary, incidental, consequential, or punitive damages (including lost profits); all fines, charges, costs, or expenses imposed by courts or other governmental authorities or by arbitrators; reasonable attorneys’ fees and all court or arbitration costs, settlement amounts, or judgments relating to litigation or arbitration; compensation for damages to Franchisor’s reputation and goodwill; costs of or resulting from Franchisee’s delays, costs of any necessary corrective advertising material and media time/space, and costs of changing, substituting, or replacing advertising; and all expenses of recall, refunds, compensation to third parties, public notices, and other similar amounts incurred in connection with the matters for which Losses and Expenses are to be paid.

“Marketing Development Fee” means the marketing development fee identified on the Summary Pages of this Agreement payable in connection with Franchisor’s performance of certain initial marketing development and support services. An additional Marketing Development Fee is payable if Franchisee performs maintenance services through the Waterloo Turf Business.

“Marks” refers to and includes (i) the “Waterloo Turf” service mark and logo, (ii) the “Waterloo Turf” trade name, (iii) the elements and components of a Waterloo Turf Business’s Trade Dress, and (iv) any and all additional, different or replacement trade names, trademarks, service marks, logos and slogans that Franchisor adopts from time to time to identify the System, the Approved Equipment and Supplies and/or the Approved Products and Services offered by Waterloo Turf Businesses.

“Minimum Annual Royalty Fee” means the payment to Franchisor described on the Summary Pages and Section 5(e) of this Agreement (if applicable).

“National Accounts” mean agreements between Franchisor and National Customers pursuant to which Franchisor and participating franchisees agree to offer and sell Approved Products and Services or other related products at National Account Rates or in accordance with certain delivery procedures or other processes set forth in the Brand Standards from time to time.

“National Account Rates” means the fees, costs and other rates that Franchisor may set from time to time in connection with the servicing of National Accounts and National Customers.

“National Brand Fund” means a separate and segregated advertising and marketing fund Franchisor administers for the purpose of enhancing the goodwill and public image of the System through advertising and promotions.

“National Brand Fund Contribution” means the periodic National Brand Fund Contribution in the amount identified on the Summary Pages payable if/when a National Brand Fund is created.

“National Customers” means any and all Customers with whom Franchisor has a National Account.

“Non-Compliance Fees” means the amount to be paid to Franchisor in connection with non-monetary contractual deviations or defaults under this Agreement.

“Office” means a home based or commercial business location from which Franchisee operates the Waterloo Turf Business and/or warehouses Approved Equipment and Supplies used in the Waterloo Turf Business.

“Office Address” means the physical address of the Office for the Waterloo Turf Business operated pursuant to this Agreement, as described on the Summary Pages.

“Opening Date” means the actual opening date that the Waterloo Turf Business starts offering and selling Approved Products and Services to Customers.

“Opening Support Fee” means the opening support fee identified on the Summary Pages of this Agreement payable in connection with Franchisor’s performance of opening support services.

“Ownership Interest” means any direct or indirect, legal or beneficial ownership interest of any type, including but not limited to (a) in relation to a corporation, the ownership of shares in the corporation; (b) in relation to a partnership, the ownership of a general partner or limited partnership interest; (c) in relation to a limited liability company, the ownership of a membership interest; or (d) in relation to a trust, the ownership of the beneficial interest of such trust.

“Permanent Disability” means any physical, emotional or mental injury, illness or incapacity that would prevent an individual from performing the obligations set forth in this Agreement or in the Personal Guaranty and Principals’ Undertaking for at least 90 consecutive days, and from which condition recovery within 90 days from the date of determination of disability is unlikely. If the parties disagree as to whether an individual is permanently disabled, the existence of permanent disability will be determined by a licensed practicing physician selected by Franchisor, upon examination of the individual; or if the individual refuses to submit to an examination or provide the results of the examination to Franchisor in a manner reasonably satisfactory to Franchisor, then the individual automatically will be considered permanently disabled as of the date of refusal. The costs of any such examination will be paid by Franchisor.

“Person” means an individual or a Business Entity.

“Personal Guaranty and Principals’ Undertaking” means the Personal Guaranty and Principals’ Undertaking attached to this Agreement at Exhibit A.

“Principal” means collectively or individually, all officers and directors of Franchisee or any Affiliate of Franchisee and Persons holding a direct or indirect Ownership Interest in Franchisee or in any Affiliate of Franchisee, in the Franchise, this Agreement or any interest in or right under this Agreement, all or substantially all of the assets of the Waterloo Turf Business or an interest therein or in the revenues or income thereof, as designated by Franchisor. The initial Principals are listed on the Summary Pages to this Agreement.

“Privacy Laws” means any international, national, federal, provincial, state, or local law, code, rule or regulation that regulates the processing of Customer Information in any way, including healthcare and wellness services related laws such as the Health Insurance Portability and Accountability Act of 1996, data protection laws such as EU General Data Protection Regulations 2016/679 (“GDPR”), the California Consumer Protection Act of 2018 and other similar laws, rules or regulations, laws regulating marketing communications and/or electronic communications such as the CAN-SPAM Act and “Do Not Call” laws

rules and regulations, information security regulations, the most current Payment Card Industry Data Security Standard, ISO 27001, ISO 27002, and security breach notification rules.

“Prospectus” means a statutory prospectus (preliminary or final), a private placement memorandum or any similar document that a company may use to convey information about a Securities Offering.

“QSC Reviews” means physical, on-site visits to an Office and/or to a Customer’s physical location during which Franchisor’s representatives conduct either (i) formal inspections to determine the degree to which a Waterloo Turf Business’s operations satisfy Franchisor’s quality, service and cleanliness standards, or (ii) informal reviews to evaluate Franchisee’s compliance with the Brand Standards.

“Renewal Fee” means the Renewal Fee identified on the Summary Pages.

“Required Opening Date” means the Required Opening Date identified on the Summary Pages.

“Royalty Fee” means the continuing royalty fee identified on the Summary Pages payable with respect to Franchisee’s continued use of the Marks and System in connection with the operation of the Waterloo Turf Business.

“Securities Offering” means a public offering or private placement of any equity or debt securities or of any securities convertible into or exchangeable for equity securities by Franchisee or, if any of the proceeds of the offering are to be invested in or loaned to Franchisee, or if the Prospectus an Affiliate uses in connection with the offering mentions Franchisor or describes the relationship between Franchisor and Franchisee, by any Affiliate of Franchisee.

“Social Media” means any and all existing or future forms of electronic communication, whether for business or personal use (including via internet forums, weblogs, social blogs, wikis, podcasts, pictures and videos) through which users create or use online networks or communities (including but not limited through online communities such as Facebook, X (formerly Twitter), Instagram, SnapChat, LinkedIn, YouTube, Yelp or Wikipedia and other similar content sharing outlets) to share information, ideas, personal messages, and other online content.

“Waterloo Turf Business” means a comprehensive residential and commercial artificial turf business that operates within an agreed territory on a year-round basis under the Marks and System and uses Approved Equipment and Supplies to offer and sell Approved Products and Services in accordance with the Brand Standards.

“Waterloo Turf Business Intranet” means a web-based communications network that permits members of the Waterloo Turf Business Network to communicate electronically with each other and through which Franchisor may, at its option, make accessible various materials to Franchisee, including the Brand Standards Manual, training materials and official notices.

“Waterloo Turf Business Network” means all Franchisor-owned or affiliated and franchisee-owned Waterloo Turf Businesses in the United States.

“Waterloo Turf Business Operating System” any proprietary or other operations and management hardware or software systems that are may be developed and/or used by Franchisor to assist in the operation of Waterloo Turf Businesses, and which will be part of the Technology and Information Systems.

“Waterloo Turf Website” means the internet website that Franchisor has created or may in the future create and maintain to (i) advertise and promote the Waterloo Turf Business Network generally, including the Approved Products and Services that members of the Waterloo Turf Business Network offer; (ii) to facilitate the sale of Franchises for a Waterloo Turf Business; and/or (iii) to offer and sell Approved Products and Services directly to Customers within or outside of the Territory.

“Summary Pages” means the pages that appear at the beginning of this Agreement that summarize certain key information concerning the parties’ relationship and the terms of this Agreement, and which are an integral part of this Agreement.

“System” means the development guidelines, opening guidelines, operational guidelines, initial and ongoing training programs, business methods, designs, arrangements and Brand Standards for developing, opening and operating Waterloo Turf Businesses, including those pertaining to Office selection, Approved Equipment and Supplies (including Vehicles, Technology and Information Systems, equipment, supplies, signage and trade dress), Approved Products and Services and any other related products, services, supplies and items that are used, offered or sold in Waterloo Turf Businesses generally (including artificial turf maintenance services), methods of inventory control and requirements and policies regarding accounting and financial performance and advertising and marketing program, all of which Franchisor may improve, further develop or otherwise modify from time to time.

“Technology and Information Systems” means electronic systems prescribed for use to collect, compute, store and report a Waterloo Turf Business’s Gross Sales and Customer information, other financial data and operating information, such as cash registers or other point of sale systems, computers, peripheral equipment and related software programs, including the Waterloo Turf Business Operating System (if applicable) or any other similar hardware and software designated for use in the Brand Standards. The Technology and Information Systems are part of the Approved Equipment and Supplies.

“Technology Fee” means the fee identified on the Summary Pages and payable with respect to the continuing research, development and/or implementation of technology-based innovations for the System, including innovations in Technology and Information Systems, the Waterloo Turf Business Operating System and other systems related to the development and operation of Waterloo Turf Businesses.

“Term” means the term identified on the Summary Pages.

“Trade Dress” means decorative, non-functional components of an Office that provide the establishment a distinctive, memorable appearance.

“Trade Secrets” means the components of the System, the contents of the Brand Standards Manual and of all employee training materials and computer programs developed by Franchisor or in accordance with the Brand Standards, Confidential Information and any other confidential information that Franchisor imparts to Franchisee with respect to a Waterloo Turf Business’s operation or management, whether through the Brand Standards Manual or otherwise.

“Training Team” means Franchisee’s Controlling Principal and any then hired General Manager (and any replacements or successors thereto) who must attend and timely and successfully complete Franchisor’s initial training program applicable to their respective positions. Controlling Principal’s spouse may also be a member of the Training Team.

“Transfer” means the voluntary, involuntary, direct or indirect sale, assignment, transfer, license, sublicense, sublease, collateral assignment, grant of a security, collateral or conditional interest, inter-vivos transfer, testamentary disposition or other disposition of (1) the Franchise, this Agreement or any interest

in or right under this Agreement, or of all or substantially all of the assets of the Waterloo Turf Business or in an interest therein, including (a) any transfer in, or as a result of, a divorce, insolvency, dissolution proceeding or otherwise by operation of law; (b) any transfer upon Franchisee's death or the death of any of the Principals by will, declaration of or transfer in trust or under the laws of intestate succession; or (b) any foreclosure upon the Waterloo Turf Business or the transfer, surrender or loss by Franchisee of possession, control or management of the Waterloo Turf Business or (2) of any direct or indirect Ownership Interest in Franchisee or revenues or income of the Waterloo Turf Business, including (a) any transfer, redemption or issuance of a legal or beneficial Ownership Interest in Franchisee or any Business Entity that has an Ownership Interest in Franchisee or of any interest convertible to or exchangeable for a legal or beneficial Ownership Interest in Franchisee or any Business Entity that has an Ownership Interest in Franchisee; (b) any merger or consolidation between Franchisee or any Business Entity that has an Ownership Interest in Franchisee and another Business Entity, whether or not Franchisee is the surviving Business Entity; (c) any transfer in, or as a result of, a divorce, insolvency, dissolution proceeding or otherwise by operation of law; (d) any transfer upon Franchisee's death or the death of any of the Principals by will, declaration of or transfer in trust or under the laws of intestate succession; or (3) any foreclosure upon the Waterloo Turf Business or the transfer, surrender or loss by Franchisee of possession, control or management of the Waterloo Turf Business. No Person (including any employee or independent contractor) may hold any Ownership Interest in the Waterloo Turf Business other than an undivided interest in the Franchise as a whole, and then only in compliance with the transfer restrictions in this Agreement.

“Transfer Fee” means the transfer fee identified on the Summary Pages.

“Vehicle” means an approved motor vehicle to be used in the Waterloo Turf Business. The Vehicle is part of the Approved Equipment and Supplies.

3. Grant of Franchise.

(a) Franchisor grants to Franchisee a Franchise, and Franchisee accepts the Franchise and obligation to develop and operate, a Waterloo Turf Business to offer and sell Approved Products and Services in the Territory, using the System and Marks in accordance with the Brand Standards.

(b) Franchisee's use of any of the Marks or any element of the System in the operation or management of any type of business at any other address or in any other channel of distribution without Franchisor's express prior written authorization will constitute willful infringement of Franchisor's rights in the Marks and the System. Franchisee is specifically prohibited from sublicensing, assigning, or delegating to others any of Franchisee's rights or obligations under this Agreement.

(c) So long as Franchisee, its Affiliates and its Principals are in full compliance with this Agreement and all other agreements between Franchisee, its Affiliates and its Principals and Franchisor and its Affiliates, then Franchisor and its Affiliates will not operate or authorize anyone except Franchisee to operate a Waterloo Turf Business that uses the System and the Marks to offer, sell and perform Approved Products and Services at a Customer's physical premises within the Territory.

(d) Notwithstanding, if Franchisor determines that Franchisee is unable or unwilling, or Franchisee notifies Franchisor that Franchisee is unable or unwilling, to offer, sell or perform Approved Products and Services for a prospective Customer in the Territory, then Franchisor, its Affiliates or another franchisee designated by Franchisor may such sell and perform Approved Products and Services to the Customer as Franchisor deems appropriate without any payment to Franchisee.

(e) Franchisor and its Affiliates (and their respective successors and assigns, by purchase, merger, consolidation or otherwise) reserve all rights that this Agreement does not expressly grant to or confer upon Franchisee, including, without limitation:

(i) To operate and grant franchises to third parties to operate Waterloo Turf Businesses using the System and the Marks outside the Territory;

(ii) To advertise and promote the System within and outside the Territory;

(iii) To develop, establish and operate (directly or indirectly), and grant franchises to others to develop, establish and operate, (a) other business systems using the Marks, and (b) other business systems (including, without limitation, businesses offering and selling Approved Products and Services) using other names or marks, within and outside the Territory and to spin off, sell, or otherwise dispose of all or any interest in such business systems;

(iv) To engage, directly or indirectly, in the manufacturing, production, distribution, operation, license and sale of Approved Products and Services and other similar services and related products using the System and/or the Marks, within and outside the Territory through any other method of distribution, including, but not limited to, retail outlets, mail order catalogs, the Internet, telemarketing, other direct marketing, or any other channel of distribution, which includes the direct sale of Approved Products and Services to Customers within the Territory through the Waterloo Turf Website or any successor internet website operated by Franchisor or its Affiliates;

(v) The right (i) to be acquired, in whole or in part, by any company, including any company that operates or offers franchises for businesses that offer products or services the same as or comparable to Approved Products and Services and that have locations or operate within or outside the Territory under any trademark or trade name other than the Marks, and (ii) to acquire any such company, in whole or in part. In the event of any such acquisition by Franchisor or one of Franchisor's Affiliates in the Territory, Franchisee agrees that Franchisor or such other entity may continue to operate (or authorize others to operate) the acquired company (and any and all of its locations) in the Territory under the acquired company's trademarks and trade names.

(f) Franchisee may not actively solicit business outside the Territory through any means, including the use of other channels of distribution, such as the Internet, Social Media, catalog sales, telemarketing, or other direct marketing. If Franchisee receives an inquiry from a prospective Customer whose jobsite will occur outside the Territory, Franchisee must refer the prospective Customer to Franchisor and Franchisor may provide the Customer lead to a company or affiliate-owned business or another franchisee nearer to the job site, or allow Franchisee to offer, sell or perform Approved Products and Services for the Customer outside the Territory, based on Franchisor's then current Brand Standards and any specific extra-territorial services policies Franchisor may implement from time to time.

(g) Franchisee acknowledges and agrees that Franchisor has no express obligation or implied duty to insulate or protect Franchisee's revenues from erosion as the result of Franchisee's Waterloo Turf Business competing with other Waterloo Turf Businesses in the ways and to the extent this Section provides or contemplates. Franchisee expressly waives and relinquishes any right to assert any claim against Franchisor based on the existence, actual or arguable, of any such obligation or duty.

(h) If Franchisee is a Business Entity, Franchisee acknowledges and agrees that no individual, including the Principals and employees of the Waterloo Turf Business, has, and no provision of this Agreement confers, any personal right to use the Marks at or from any location (whether within or outside of the Territory) for any purpose, including on Social Media. Franchisee agrees to immediately notify

Franchisor if Franchisee becomes aware of such use of the Marks. Franchisee will take all reasonable actions required by Franchisor to eliminate such use of the Marks and will reimburse Franchisor for any expense incurred by Franchisor as a result of such use of the Marks.

4. Agreements Regarding Compliance with Applicable Laws and Applicable Licensure.

Franchisee will comply strictly with, or ensure compliance strictly with, all Applicable Laws related to the Waterloo Turf Business, including those relating to Applicable Industry Regulations, Applicable Licensure, taxation, employment and promotion practices, employee wages, child and immigrant labor, disabled persons, environmental, truth-in-advertising, occupational safety and health, firearms and other weapons and sanitation.

(a) Franchisee shall ensure timely procurement and maintenance of any and all Applicable Licensure necessary for the full and proper operation of the Waterloo Turf Business under Applicable Laws, including, without limitation, licenses to do business, trade name registrations, and sales tax permits.

(b) Franchisee will submit to Franchisor any and all inspection or other reports prepared by any Governmental Authority related to the operations of the Waterloo Turf Business within 7 days of its receipt of such inspection or report.

(c) Franchisee will continually comply with all Applicable Laws relating to the use of Approved Equipment and Supplies and/or the offer and sale of authorized Approved Products and Services by the Waterloo Turf Business and will obtain and maintain such additional liability and general liability insurance coverage that is specified by Franchisor in the Brand Standards Manual.

(d) Franchisee acknowledges and agrees that Franchisor makes no representations or warranties regarding the legality of the offer or sale of any Approved Products and Services in the state or jurisdiction in which Franchisee is located, and that it is Franchisee's sole responsibility to confirm all such Applicable Laws, including Applicable Licensure, and to comply with all Applicable Laws related to the use of Approved Equipment and Supplies and/or the offer and sale of authorized Approved Products and Services by the Waterloo Turf Business in Franchisee's jurisdiction.

5. Primary Fees.

(a) In consideration of Franchisor's granting the Franchise and for Franchisor's lost or deferred opportunities in the Territory, Franchisee will pay Franchisor the Initial Franchise Fee in accordance with the requirements of this Agreement. The Initial Franchise Fee will be due as reflected in the Summary Pages and will be fully-earned upon receipt and is not refundable under any circumstances.

(b) In consideration for training each member of Franchisee's Training Team, Franchisee agrees to pay Franchisor the Initial Training Fee for each member of Franchisee's Training Team that attends Franchisor's initial training program (excluding the Controlling Principal's spouse, if applicable). The Initial Training Fee will be due as reflected in the Summary Pages, is fully-earned upon receipt and is not refundable under any circumstances.

(c) In consideration for Franchisor's opening support provided to the Waterloo Turf Business, Franchisee agrees to pay Franchisor the Opening Support Fee. The Opening Support Fee will be due as reflected in the Summary Pages, is fully-earned upon receipt and is not refundable under any circumstances.

(d) In consideration for Franchisor's initial marketing support for the Waterloo Turf Business, Franchisee agrees to pay Franchisor the Marketing Development Fee. The Marketing Development Fee

will be due as reflected in the Summary Pages, is fully-earned upon receipt and is not refundable under any circumstances.

(e) In consideration for Franchisee's continuing use of the Marks and the System, Franchisee agrees to pay Franchisor the Royalty Fee each Accounting Period during the Term based on Franchisee's operation of the Waterloo Turf Business, subject to the Minimum Annual Royalty Fee and Large Franchisee Royalty Break described in the Summary Pages. In all cases, the Royalty Fee, including any Minimum Annual Royalty Fee, is paid on a per Waterloo Turf Business/Territory basis with no consolidation of multiple Waterloo Turf Businesses/Territories.

(f) Franchisee agrees to expend an amount equal to the Local Ad Expenditure each calendar month during the Term.

(g) Franchisee agrees to pay to Franchisor or its designee the National Brand Fund Contribution each Accounting Period during the Term (as applicable).

(h) Franchisee agrees to pay to Franchisor or its designee the Technology Fee each calendar month during the Term (if applicable).

(i) By noon on the 2nd day of each Accounting Period, Franchisor or Franchisee (as Franchisor then requires) will calculate and report to the other the amount of Gross Sales and corresponding Continuing Fees due for the immediately preceding Accounting Period in accordance with this Agreement. Unless the other party contests the amount of Gross Sales or the Continuing Fees payable to Franchisor within 24 hours of receipt of such report, Franchisor will draft Franchisee's account based on the amount in the report. If Franchisor's ability to determine Gross Sales for any Accounting Period is obstructed (whether or not due to Franchisee's acts, errors or omissions), Franchisor will calculate Continuing Fees based on Gross Sales on the basis of 110% of Gross Sales for the last Accounting Period in which Franchisor had access to Gross Sales information and will draft Franchisee's account accordingly; provided that adjustments in the Continuing Fees actually due will be calculated and settled within 10 days after Franchisee furnishes the required Gross Sales information.

(j) All Continuing Fees due under this Agreement will be payable each Accounting Period by automatic debit of Franchisee's account on the 3rd day following each Accounting Period with respect to Franchisee's Gross Sales for the immediately preceding Accounting Period. Franchisee will authorize Franchisor and its bank to debit Franchisee's account directly for the payment of all Continuing Fees and other amounts due hereunder by signing and delivering an Authorization Agreement for Pre-authorized Payments in the form attached as **Exhibit C** to this Agreement or such other form provided by Franchisor. Franchisee will at all times maintain a balance of not less than \$15,000 in the account designated in the Authorization Agreement for Pre-authorized Payments on file with Franchisor. Royalty Fees, National Brand Fund Contributions and Technology Fees will be payable without notice or demand. All other payments will be due upon demand. By notice in writing to Franchisee, Franchisor may from time to time change the payment interval, the payment date and/or the manner of payment of such Continuing Fees, and may require any payments be made by wire or check in lieu of automatic debit at Franchisor's sole discretion.

(k) Franchisee may not withhold Continuing Fees or other payments (including reimbursable expenses, as applicable) due hereunder on account of Franchisor's breach or alleged breach of its obligations under this Agreement or any other agreement between the parties or their respective Affiliates. Franchisee acknowledges and agrees that Franchisor's performance under this Agreement constitutes no part of the consideration for Franchisee's obligation to pay Continuing Fees and other amounts due in accordance with this Agreement.

(l) If Franchisee fails to pay any Continuing Fees or other payments (as applicable) or any trade account by the date on which such payment is due, the amount payable will bear interest from the date it became due through the date of payment at the lesser of (i) 1.5% per calendar month, or (ii) the highest lawful rate of interest permitted by Applicable Laws, and/or Franchisee will pay to Franchisor, at Franchisor's election, a late fee of U.S. \$50 per calendar month the respective payment remains unpaid. Such late fee will be paid to Franchisor in addition to, and not in lieu of, any other rights Franchisor may have at law or in equity as a result of late payment by Franchisee. Nothing in this Agreement will obligate Franchisee or any guarantor of Franchisee's obligations to pay, or entitle Franchisor or its designee to collect, interest in excess of the maximum rate permitted by Applicable Laws. If, for any reason, Franchisor or its designee charges or receives interest in excess of the maximum rate permitted by Applicable Laws, the excess will be applied as a payment against the principal amount of Franchisee's other obligations under this Agreement. If no other obligations are due, Franchisor or its designee will promptly refund the excess payment to the party that paid it.

6. Modification of Franchise, Trade Dress and Equipment Brand Standards.

(a) Franchisor reserves the right to modify the System and Marks from time to time, including, without limitation, the right to (1) add new and different Approved Equipment and Supplies and/or Approved Products and Services to the list of authorized Approved Equipment and Supplies and/or Approved Products and Services, (2) withdraw Approved Equipment and Supplies and/or Approved Products and Services from the list of authorized Approved Equipment and Supplies and/or Approved Products and Services, or to change their names, Brand Standards and/or image, (3) change the Trade Dress and Brand Standards for any Office and/or Approved Equipment and Supplies for the Waterloo Turf Business, (4) add or change the Brand Standards for Customer engagement (including National Customers), (5) abandon the use of any Approved Equipment and Supplies and/or Approved Products and Services that Franchisor withdraws from the list of authorized Approved Equipment and Supplies and/or Approved Products and Services, and (6) require the use of new or different Technology and Information Systems, some of which may be paid for through the Technology Fee and some of which may require additional fees or costs to implement and use, and in all cases Franchisor will not be liable to Franchisee for any expenses or revenue losses associated with any modification to the System, including but not limited to any modification to Franchisor's current Brand Standards which adversely impacts the Waterloo Turf Business's revenues. Notwithstanding the foregoing, Franchisor will not require Franchisee to make capital expenditures to remodel the Office or overhaul the Approved Equipment and Supplies of the Waterloo Turf Business more often than every 5 years or at an expense that is in excess of 50% of the total original capital expenditure to develop and open the Waterloo Turf Business.

(b) Franchisor may instruct Franchisee to (i) begin using or offering and selling new Approved Equipment and Supplies and/or Approved Products and Services as of a date specified in a supplement to the Brand Standards Manual or (ii) cease using or offering and selling any Approved Equipment and Supplies and/or Approved Products and Services as of a date specified in a supplement to the Brand Standards Manual, and Franchisee will comply with Franchisor's instructions as of the date Franchisor specifies, which need not be more than 30 days after Franchisor distributes the Brand Standards Manual supplement; provided that Franchisor will generally establish a schedule for Franchisee to implement such changes that will depend, among other factors, on the Waterloo Turf Business's size, age, and the amount Franchisee has spent in recent periods to refurbish and upgrade the Waterloo Turf Business. Franchisee will remove from the Waterloo Turf Business any items Franchisor designates as obsolete and will purchase and/or lease and install any different or additional items Franchisor specifies as meeting its new Brand Standards, all in accordance with the schedule Franchisor establishes for the Waterloo Turf Business.

(c) If Franchisor allows the Waterloo Turf Business to participate in any new Approved Equipment and Supplies and/or Approved Products and Services test, then Franchisee will participate in

the test in accordance with the Brand Standards and will discontinue offering any such new items that Franchisor decides not to permanently add to the list of Approved Equipment and Supplies and/or Approved Products and Services. Following any such test, upon request from Franchisor, Franchisee will provide to Franchisor such results and data from such tests as Franchisor may reasonably request.

(d) If Franchisee develops or suggests an innovation or improvement for the Waterloo Turf Business (including as to any Approved Equipment and Supplies and/or Approved Products and Services) that Franchisor decides to incorporate into the System for use in other Waterloo Turf Businesses (whether on a temporary or permanent basis and whether applicable to all or select franchisees), the innovation or improvement will become Franchisor's Confidential Information without compensation to Franchisee or any Principals. Franchisee hereby assigns ownership of each such innovation or improvement to Franchisor and agrees to execute and deliver all such additional instruments and documents as Franchisor may request to evidence the assignment and Franchisor's ownership of the innovation or improvement.

7. Franchisor Services and Assistance.

(a) **Development Stage Assistance.** Franchisor (or its designee) will provide the following services and assistance to Franchisee before Franchisee opens the Waterloo Turf Business.

(i) Review the proposed site for the Office for minimum compliance with the Brand Standards (if Franchisee is not operating the Waterloo Turf Business out of a home).

(ii) Furnish Franchisee a list that describes the Approved Equipment and Supplies that Franchisee must purchase, use and install to buildout and initially stock the Waterloo Turf Business together with the names of any third party suppliers Franchisor has designated or approved for such Approved Equipment and Supplies.

(iii) Conduct initial training for Franchisee's Training Team in consideration for the payment of the Initial Training Fee payable for each member of the Training Team. Franchisor will also train Controlling Principal's spouse for no additional fee. Prior to rendering their services to the Waterloo Turf Business, the entire Training Team will attend and complete, to Franchisor's satisfaction, initial training conducted by Franchisor in the form and manner applicable to each member of the Training Team based on their role with the Waterloo Turf Business. The entire Training Team must complete training at least one week before the expected Opening Date of the Waterloo Turf Business. Franchisor may agree to reduce the length of training based on the experience of one or more members of the Training Team. Franchisee will be solely responsible for Franchisee's Training Teams' travel expenses and room, board and wages during such training. Franchisee may send additional persons to initial training, or replacement persons to initial training, subject to payment of additional Initial Training Fees or a lesser additional training fee per person. Franchisor may periodically make other mandatory or optional training available to Franchisee's employees as well as other programs, seminars and materials, and Franchisee will ensure that all employees, as Franchisor may direct, satisfactorily complete any such additional initial or refresher required training within the time specified, and pay such additional training fees then applicable to such additional initial or refresher required training.

(iv) When Franchisee's Training Team arrives for training, Franchisor will loan Franchisee 1 electronic copy of the Brand Standards Manual.

(v) Provide Franchisee with opening support from one of Franchisor's opening and operations representatives in consideration for the payment of the Opening Support Fee in connection with the opening of the first Waterloo Turf Business. Franchisee is expected to provide its own opening support for its second and each additional Waterloo Turf Business (whether or not all are developed pursuant to a

Development Agreement), but Franchisor may provide some lesser amount of opening support upon request or if Franchisor deems it necessary, in which case Franchisee must pay Franchisor its then current additional training fee for such additional training.

(vi) Implement (if/when available) and connect Franchisee to the Waterloo Turf Business Operating System.

(b) **Operational Assistance.** Franchisor (or, notwithstanding the following, its designee) may, in its discretion and to the extent it deems appropriate, provide the following services and assistance to Franchisee after the Waterloo Turf Business opens.

(i) Implement (if/when available) and maintain Franchisee's connection to the Waterloo Turf Business Operating System.

(ii) Provide such advice and assistance to Franchisee as Franchisor deems advisable in planning publicity and promotions for the Waterloo Turf Business's promotion, including print media and display advertising.

(iii) Make its staff accessible to Franchisee's personnel, to the extent Franchisor deems advisable, for consultation by telephone, written communication, email and other forms of electronic communication during regular business hours. Franchisor may periodically visit the Waterloo Turf Business to conduct QSC Reviews and to consult with Franchisee regarding Brand Standards compliance as Franchisor deems appropriate. Franchisor will not provide routine field supervision.

(iv) Loan Franchisee additions and supplements to the Brand Standards Manual as they become available, and will disclose to Franchisee additional Trade Secrets, if any, Franchisor develops that relate to the operation or management of a Waterloo Turf Business.

(v) So long as Franchisee is in full compliance with this Agreement and all other agreements with Franchisor, invite Franchisee to attend (at Franchisee's expense) conventions, seminars and franchisee-oriented functions, if any, which Franchisor may from time to time plan or sponsor and which are applicable to Franchisee or the Waterloo Turf Business. Attendance to any such conventions, seminars and other franchisee-oriented functions may be made mandatory at Franchisor's discretion.

(vi) Sell to Franchisee (or cause to be sold to Franchisee) the then current array of all proprietary and other Approved Equipment and Supplies and/or Approved Products and Services that Franchisee is then required to purchase from Franchisor or its Affiliates.

(vii) Supervise the National Account program as then applicable.

8. Waterloo Turf Office. The Franchise and Franchisee's rights under this Agreement are granted for the Territory described in the Summary Pages. Notwithstanding, Franchisee must operate the Waterloo Turf Business from a designated Office. Franchisee may operate from a home-based Office, but any other proposed site for an Office must be reviewed and approved by Franchisor. In such case, Franchisee must submit a description of the site to Franchisor, in the form Franchisor specifies, including evidence satisfactory to Franchisor demonstrating that the site satisfies Franchisor's minimum Brand Standards for an Office, and such other information as Franchisor may reasonably require. Franchisor will have 15 days after receipt of the foregoing information to accept or decline to accept the proposed site as an Office. If the Office Address is unknown when this Agreement is executed, Franchisee and Franchisor

will amend the Summary Pages to reflect the Office Address. Franchisee will also provide Franchisor with an executed copy of any lease for the Office (if applicable).

9. Development, Relocation and Operations. In connection with the development and operation of the Waterloo Turf Business, Franchisee agrees to fulfill all of the requirements, to perform all of the obligations and to observe all of the restrictions stated in this Section.

(a) Franchisee will acquire, equip, outfit and ready for use all Approved Equipment and Supplies (including Vehicles, Trade Dress and Technology and Information Systems) in compliance with this Agreement and Franchisor's specifications within 45 days of the Effective Date of this Agreement. Franchisee will acquire all Approved Equipment and Supplies from Franchisor, its Affiliates or third-party suppliers designated by Franchisor or otherwise approved in writing. All Vehicles must include approved Trade Dress and usages of the Marks, including wraps, magnets and/or decals, as designated by Franchisor.

(b) At Franchisor's request, Franchisee will display at the Office and at such location on all Vehicles, as Franchisor designates, a placard of such size as Franchisor prescribes confirming it is an independently-owned franchised business.

(c) If Franchisee is a Business Entity, the following requirements apply:

(i) Franchisee must be properly organized and in good standing under Applicable Laws, and its Charter Documents must provide that Franchisee's purposes and activities are restricted exclusively to developing and operating Waterloo Turf Businesses.

(ii) True, complete and duly authenticated copies of Franchisee's Charter Documents and of a resolution of Franchisee's board of directors, general partner or other managing body authorizing Franchisee to enter into and perform this Agreement must be furnished to Franchisor prior to the execution of this Agreement.

(iii) Franchisee will maintain a list of all record and beneficial owners of Ownership Interests in Franchisee and will furnish a current version of the list to Franchisor between December 15th and 31st of each year and upon request.

(d) Franchisee will appoint one Principal who is approved by Franchisor to be the Controlling Principal. The Controlling Principal will be Franchisee's sole contact with Franchisor and its staff for purposes of administering and coordinating the relationship created by this Agreement. Unless otherwise approved in writing, the Controlling Principal will supervise and manage the Waterloo Turf Business on a full-time, best efforts basis beginning when the Controlling Principal appears for Franchisor's initial training program, and will not engage in any other employment or activities that require material time commitments that would not enable the Controlling Principal to actively supervise and manage the Waterloo Turf Business on a full-time, best efforts basis. In limited circumstances in Franchisor's sole discretion, Franchisor may permit the Controlling Principal to not manage the day-to-day operations of the Waterloo Turf Business, in which case Franchisee must recruit and hire a full-time General Manager to manage the day-to-day operations of the Waterloo Turf Business, which General Manager must satisfy any minimum Brand Standards for eligibility then stated in the Brand Standards Manual. Franchisor may permit the hiring of a General Manager if/when Franchisee and its Affiliates have at least 3 open and operating Waterloo Turf Businesses. If the initial or any successor Controlling Principal or General Manager resigns or otherwise leaves Franchisee's employment, Franchisee will notify Franchisor within 5 days and will appoint a suitably qualified replacement Controlling Principal or General Manager within a reasonable time, which will in no case exceed 30 days from the date of departure.

(e) The Training Team and will in all cases attend Franchisor's initial training program, at Franchisee's sole expense. The Training Team must timely complete Franchisor's training program to Franchisor's satisfaction before the Waterloo Turf Business may open for business. Notwithstanding the foregoing, Franchisor and Franchisee acknowledge and agree that Franchisor will not, and will have no right or authority to, control the employees of the Waterloo Turf Business or Franchisee's other employees. Franchisor will have no right or authority with respect to the hiring, termination, discipline, work schedules, pay rates or pay methods of employees of the Waterloo Turf Business or of Franchisee. Franchisee acknowledges and agrees that all employees of the Waterloo Turf Business and of Franchisee will be the exclusive employees of Franchisee and will not be employees of Franchisor nor joint employees of Franchisee and Franchisor. Franchisor does not and will not share or codetermine any of Franchisee's employees' essential terms and conditions of employment. More specifically, in no case does Franchisor have any authority to determine or set Franchisee's employees': (1) wages, benefits, and other compensation; (2) hours of work and scheduling; (3) the assignment of duties to be performed; (4) the supervision of the performance of duties; (5) work rules and directions governing the manner, means, and methods of the performance of duties and the grounds for discipline; (6) the tenure of employment, including hiring and discharge; and/or (7) working conditions related to the safety and health of employees. Franchisee alone has sole authority to determine any or all Franchisee's employees' essential terms and conditions of employment.

(f) As soon as Franchisee obtains a telephone number for the Waterloo Turf Business and also when Franchisee signs agreements for or obtains any type of directory listing (both web-based and print) for the Waterloo Turf Business, Franchisee will provide Franchisor with information regarding such telephone numbers and directory listings and copies of all agreements with any third parties that will be hosting information regarding for the Waterloo Turf Business and/or containing the Marks. Franchisee will also sign any transfer acknowledgement agreements that Franchisor may require for a particular type of directory listing. Franchisee will promptly update Franchisor if any such information changes during the term of this Agreement. Franchisee hereby consents to Franchisor contacting all such third parties in connection with the termination or expiration of this Agreement.

(g) Franchisee will open the Waterloo Turf Business for business not later than the Required Opening Date and will operate it continuously throughout the entire Term solely under the Marks and System and in accordance with the Brand Standards Manual. If the Waterloo Turf Business's development or opening is interrupted by an Event of Force Majeure, Franchisee will promptly notify Franchisor and provide Franchisor details of such Event of Force Majeure and its anticipated schedule for opening. In such event, the Required Opening Date will be extended up to 180 days at Franchisor's discretion unless Franchisor otherwise agrees to a longer extension; provided that failure to open the Waterloo Turf Business within any such extended period will be a material default of this Agreement.

(h) Franchisee must (i) comply with and adhere to the brand-based operational policies and procedures set forth in the Brand Standards Manual, as revised and supplemented from time to time, related to the Approved Equipment and Supplies and/or Approved Products and Services, used, offered or sold by the Waterloo Turf Business; (ii) purchase and use only Approved Equipment and Supplies and/or Approved Products and Services set forth in the Brand Standards Manual; (iii) purchase and use Approved Equipment and Supplies and/or Approved Products and Services only from approved manufacturers, distributors and suppliers, including but not limited to, the purchase of certain Approved Equipment and Supplies and/or Approved Products and Services from Franchisor and/or its Affiliates, who may be the sole source for certain Approved Equipment and Supplies and/or Approved Products and Services required or permitted to be used, offered or sold in the operation of the Waterloo Turf Business; (iv) follow Franchisor's procedures in the handling, storage, preparation, presentation and dispensing of all Approved Equipment and Supplies and/or Approved Products and Services, and (v) offer for sale to Customers all Approved Products and Services included on Franchisor's authorized lists, as revised from time to time, and refrain from offering

or selling to Customers any Approved Products and Services that are not included on Franchisor's authorized lists, as revised from time to time, without Franchisor's prior written consent, subject to Applicable Laws.

(i) If Franchisee desires to purchase any Approved Equipment and Supplies and/or Approved Products and Services from an unapproved manufacturer, distributor or supplier, Franchisee will submit to Franchisor a written request for such approval, or will request the manufacturer, distributor or supplier itself to do so. Franchisee will not purchase from any manufacturer, distributor or supplier until and unless such manufacturer, distributor or supplier has been approved in writing by Franchisor. Franchisor will have the right to require that its representatives be permitted to inspect the manufacturer's, distributor's or supplier's facilities, and that samples from the manufacturer, distributor or supplier be delivered either to Franchisor or to an independent laboratory designated by Franchisor for testing. A charge not to exceed the reasonable cost of the inspection and the actual cost of the test will be paid by Franchisee or the manufacturers, distributors or suppliers. Franchisor reserves the right, at its option, to reinspect from time to time the facilities and products or services of any such approved manufacturer, distributor or supplier and to revoke its approval upon the manufacturer's, distributor's or supplier's failure to continue to meet any of Franchisor's then current criteria. Nothing in the foregoing will be construed to require Franchisor to approve any particular manufacturers, distributors or suppliers or their proposed products and services, and to the extent permissible under then current Applicable Laws, Franchisor will have the right to limit the number of approved manufacturers, distributors or suppliers for any particular Approved Equipment and Supplies and/or Approved Products and Services used or offered for sale by Waterloo Turf Businesses generally, as Franchisor deems appropriate. Franchisee will require all of its proposed manufacturers, distributors or suppliers to execute a confidentiality agreement with respect to Franchisor's Confidential Information, in a form acceptable to Franchisor.

(j) Franchisee acknowledges and agrees that Franchisor and its Affiliates have developed and may in the future develop branded and/or proprietary products and services that will become part of the Approved Equipment and Supplies and/or Approved Products and Services, and which Franchisor may require Franchisee to purchase from Franchisor, its Affiliates or specific approved vendors, and then require Franchisee to use, offer or sell in the Waterloo Turf Business. Franchisor may add to or eliminate the list of required or optional branded and/or proprietary products and services from time to time, Franchisee will purchase, use, offer and/or sell such then currently designated branded and/or proprietary products and services in the Waterloo Turf Business. In all cases, Franchisor and its Affiliates may make a profit in connection with the sale of such then currently designated branded and/or proprietary products and services to Franchisee.

(k) If Franchisor receives any cash rebates, volume discounts, concessions, advertising allowances, or discount bonuses (collectively "Discounts"), whether by way of cash, in-kind or credit, from any manufacturer, distributor or supplier designated by Franchisor, whether or not on account of purchases made (i) by Franchisor for its own account or for Franchisee's account, or franchisees generally, or (ii) by Franchisee directly for its own account, Franchisor will be entitled to retain the whole of the amount or any part of such Discounts as Franchisor deems appropriate.

(l) Franchisor may mandate or suggest the offer and selling price for Approved Products and Services offered and sold by the Waterloo Turf Business to the fullest extent then permissible under Applicable Laws, including all Applicable Industry Regulations. Franchisor may in all cases run advertising and promotions stating a specific selling price for Approved Products and Services, and Franchisor reserves all rights available under then current Applicable Laws to condition participation in special or voluntary programs and offerings on Franchisee's adherence to Franchisor's requirements, including with respect to pricing standards.

(m) Franchisor has sole discretion as to whether to designate a particular Customer as a National Customer, when to execute a National Account agreement with a particular Customer, the manner of negotiation of that agreement, and the terms and conditions of that agreement. Franchisee acknowledges and agrees that the availability of National Account Rates and services to National Customers enhances the value of the National Account agreements and inures to the benefit of Franchisee, other franchisees under the System, and Franchisor, and further agrees as follows:

(i) Upon request by Franchisor, Franchisee will notify Franchisor in writing whether or not Franchisee wishes and intends to service National Customers in its Territory pursuant to National Account agreements which have been and may be negotiated by Franchisor. If Franchisee informs Franchisor that it will participate in Franchisor's National Account program, Franchisee will be obligated to participate in each and every National Account agreement signed by Franchisor under the terms of each agreement and for the duration of each agreement unless Franchisee terminates its participation as provided in this Section.

(ii) Franchisee may terminate its participation in the National Account program by giving Franchisor at least 30 days' prior written notice of its intention. Franchisee will have no obligation to provide service under any National Account agreement signed after Franchisee gives notice of its intention to terminate participation in the National Account program. However, Franchisee must continue to honor each National Account agreement that was in effect before Franchisee terminated its participation until that agreement expires. If any National Account agreement does not have a defined term, Franchisee must continue to honor the agreement for a period of one year following the date on which Franchisee gives notice of its intention to terminate its participation in the National Accounts program.

(iii) If Franchisee undertakes to service National Customers in its Territory, Franchisee will comply with all terms and conditions specified by Franchisor pertaining to the National Account agreements and with all rules and regulations specified by Franchisor pertaining to the National Account program.

(iv) Service of National Customers by Franchisor or its designee in accordance with this Section will not be deemed to violate any provisions of this Agreement.

(v) If, at any time, Franchisee elects not to service National Accounts, or if Franchisee elects to service National Accounts but fails to satisfy the conditions and obligations of any National Account agreement, Franchisor may, in its sole discretion, service or authorize others to service the National Customers anywhere within Franchisee's Territory without providing any compensation to Franchisee.

(vi) If Franchisee has elected to participate in the National Accounts program, but a National Customer prefers (or the agreement with the National Customer requires) centralized ordering, centralized shipping, centralized billing and account management, or specialized packaging or branding, Franchisor may service or authorize others to service such National Customers anywhere within Franchisee's Territory.

(n) If Franchisor institutes a program regarding pre-paid goods or services (including, without limitation, gift cards, gift certificates or vouchers) and the delivery and redemption thereof, for Waterloo Turf Businesses, Franchisee will participate in such program and will adhere to all such policies regarding the program set forth in the Brand Standards Manuals or otherwise in writing from time to time, including by signing any third-party agreements or paying any third-party fees that are required for participation in such programs. Franchisee shall purchase and maintain a minimum inventory of gift certificates, gift cards or vouchers, shall offer such gift certificates, gift cards or vouchers for sale and shall honor any such gift certificates, gift cards or vouchers presented to the Waterloo Turf Business for the purchase of authorized

Approved Products and Services. Franchisee may not create or issue its own gift certificates, gift cards or vouchers and shall only sell gift certificates, gift cards or vouchers approved by Franchisor. Nor may Franchisee sell gift cards, gift certificates or vouchers in bulk or to any retailers for resale. Franchisee must adhere to Franchisor's then current specifications with respect to any voucher programs such as Groupon, Living Social or other similar offerings, including with respect to the calculation of Gross Sales based on the sale and redemption of vouchers and similar certificates.

(o) If Franchisor institutes a Customer loyalty program for Waterloo Turf Businesses, Franchisee will participate in such Customer loyalty program established by Franchisor and pay all participation fees due to any third-party vendor.

(p) Franchisee will imprint the Marks on Approved Equipment and Supplies and/or Approved Products and Services used, offered or sold in the Waterloo Turf Business in accordance with instructions in the Brand Standards Manual, and will purchase Approved Equipment and Supplies and/or Approved Products and Services imprinted with the Marks only from manufacturers, distributors or suppliers Franchisor designates or approves in the Brand Standards.

(q) Franchisee will display in the Waterloo Turf Business all (i) product and service identification materials, (ii) point-of-purchase promotional materials, (iii) promotional memorabilia, merchandise and prizes, and (iv) other advertising and marketing materials Franchisor provides to Franchisee pursuant to the Brand Standards for use by Waterloo Turf Businesses. At Franchisor's request, Franchisee will display in a prominent, accessible place a "franchise opportunity" display furnished by Franchisor at its expense for the purpose of increasing public awareness of the availability of franchises.

(r) Franchisee will at a minimum maintain the physical appearance and integrity of the Waterloo Turf Business and its Approved Equipment and Supplies in accordance with the Brand Standards, and will at a minimum maintain the Office, including all interior and exterior areas, in a clean, safe and sanitary condition at all times. In all cases, Franchisee will routinely clean and maintain all Approved Equipment and Supplies used in connection with the Waterloo Turf Business in good order and repair and cause the same to be promptly replaced as they become worn, damaged, obsolete, out of style or mechanically impaired, and when offered or applicable, enter into preventative maintenance programs as further described in the Brand Standards Manual, including as to the Approved Equipment and Supplies.

(s) Subject to Applicable Laws, Franchisee will maintain minimum business hours and days of operation for the Waterloo Turf Business in accordance with the Brand Standards, except to the extent that Franchisor grants a written variance.

(t) Franchisee will provide appropriate training, supervision and security for all personnel employed in the Waterloo Turf Business, provide an environment where safety and courtesy are paramount, while maintaining excellence in business operations and standards, and instruct all employees of the Waterloo Turf Business in the proper use and display of the Marks and the confidential handling of the Confidential Information, all as stated in the Brand Standards. Franchisee will provide appropriate training for maintaining the Brand Standards. Franchisee will ensure that all of the Waterloo Turf Business's employees follow Franchisor's grooming and dress code and wear the Waterloo Turf Business logoed items developed or approved by Franchisor. In all cases, Franchisee has the sole responsibility and authority for Franchisee's employees' terms and conditions of employment.

(u) Franchisee will (i) adopt and follow Franchisor's fiscal year for accounting purposes, (ii) adopt and follow the accounting principles, policies and practices Franchisor prescribes, including use of Franchisor's standard chart of accounts, (iii) acquire, install and use the Technology and Information Systems Franchisor specifies from time to time in the Brand Standards Manual, (iv) obtain and at all times

utilize the services of a credit card processor approved by Franchisor and pay all related fees that may be incurred by Franchisor in connection with the processing of credit card payments by Customers, (v) install and continually maintain a primary broadband internet connection and backup telephone line (or wireless) connection (or future equivalent) that facilitates communication between Franchisor's computer system and Franchisee's Technology and Information Systems, and (vi) furnish Franchisor for the primary and backup connections telephone line email address, web address, telephone number, IP addresses and firewall configurations as originally assigned and as changed from time to time.

(v) Franchisee must implement and maintain an approved Payment Card Industry (PCI) compliance program for the Waterloo Turf Business. Franchisor may suggest third-party PCI compliance vendors occasionally, but Franchisee is free to submit alternative PCI compliance vendors to Franchisor for approval or seek approval to perform Franchisee's own PCI compliance, and Franchisee is in all cases solely responsible for Franchisee's and the Waterloo Turf Business's PCI compliance programs. Franchisee must submit PCI compliance reports to Franchisor in the manner and frequency Franchisor sets in the Brand Standards Manual. Franchisee's failure to comply will be a material default under this Agreement. In all cases, Franchisee is solely responsible for protecting the Waterloo Turf Business from computer viruses, bugs, power disruptions, communication line disruptions, internet access failures, internet content failures, date-related problems, and attacks by hackers and other unauthorized intruders.

(w) Franchisee will accurately calculate and report Gross Sales and Customer transactions to Franchisor at the times and through the procedures Franchisor from time to time specifies (which may include use of the Waterloo Turf Business Operating System, if applicable). Franchisee acknowledges that Franchisor may electronically poll the Waterloo Turf Business's Technology and Information Systems to obtain Gross Sales data, as well as other financial and operating information through the Intranet (if implemented), which will be available to Franchisor twenty-four hours every day. Franchisee agrees to maintain continual data network access to the Waterloo Turf Business's Technology and Information Systems for use by Franchisor.

(x) Franchisee will maintain complete and accurate books and records relating to the operation of the Waterloo Turf Business in accordance with this Section, permit Franchisor representatives to inspect such books and records at any time with or without notice to Franchisee and, within 45 days after the end of each fiscal year of the Waterloo Turf Business, submit to Franchisor an unaudited balance sheet, income statement and statement of cash flow for the year then ended. These financial statements will be prepared and certified by an independent certified public accountant, disclose separately the items specified by Franchisor on forms it provides, and will be prepared in accordance with the accounting principles and practices Franchisor prescribes. If Franchisee is at any time required to furnish any lender, lessor, government agency or other Person audited financial statements with respect to the Waterloo Turf Business, Franchisee will concurrently furnish Franchisor a copy of such audited financial statements. In addition to the annual reports required above, no later than the last business day of the month following the close of each fiscal quarter (other than the fourth fiscal quarter), Franchisee will deliver to Franchisor an unaudited balance sheet as of the end of such fiscal quarter and an income statement for such fiscal quarter.

(y) Franchisee is solely responsible for the payment of all taxes owed by Franchisee and preparation of all tax returns required to be filed by Franchisee. At Franchisor's request, Franchisee will furnish Franchisor copies of all federal and state income and sales tax returns filed by Franchisee with respect to the Waterloo Turf Business's income or sales.

(z) Franchisee shall process and handle all Customer or other complaints connected with or relating to the Waterloo Turf Business, and shall promptly notify Franchisor by telephone and in writing of all: (a) illnesses arising from the use of Approved Equipment and Supplies and/or the performance, offer and sale of Approved Products and Services, (b) safety or health inspections or violations, (c) claims

exceeding \$1,000.00, and (d) any other material claims against or losses suffered by Franchisee, including related to investigations by any Governmental Authorities. Franchisee shall maintain any communications with Governmental Authorities affecting the Waterloo Turf Business during the term of this Agreement and for 1 year after the expiration or earlier termination hereof. Further, upon the occurrence of a Crisis Management Event, Franchisee must immediately inform Franchisor by telephone or electronic means, must cooperate fully with Franchisor with respect to Franchisor's response to the Crisis Management Event, and must implement such remediation plan as may be instituted by Franchisor, which may include Franchisor requiring a temporary closure of the Waterloo Turf Business as part of the Crisis Management Event remediation plan (whether or not all or other Waterloo Turf Businesses are required to temporarily close).

(aa) Franchisee will permit Franchisor representatives to conduct unannounced QSC Reviews of the Waterloo Turf Business at the Office or at a Customer's physical location at any time during normal business hours. Franchisee will promptly correct any condition noted as "unsatisfactory" or "needs improvement" in a QSC Review or staff evaluation report.

(bb) Franchisee will permit Franchisor to conduct special audits of Franchisee's books and records relating to the Waterloo Turf Business's operation at any time during the Term, and for three years after this Agreement expires, terminates or is transferred. All such books and records will be kept available for at least three years after the termination, expiration or Transfer of this Agreement for any reason. To assist Franchisor in planning and conducting its audit program, Franchisee expressly authorizes Franchisor to obtain from any Customer or vendor with which Franchisee does business copies of invoices and other sales data related to Franchisee's account with the Customer or vendor. If an audit establishes that Continuing Fees or profit and loss statements have understated Gross Sales for any fiscal year by more than 2%, Franchisee will pay the audit's cost, including professional fees and the travel, lodging and meal expenses of the individuals who conduct the audit. Otherwise, Franchisor will bear the audit's entire cost. Franchisee will promptly pay Franchisor any deficiencies established by an audit, together with interest as provided in this Agreement. If there is a deficiency two times in any 12-month period, this second deficiency will be considered a material default for which Franchisor will have the right to terminate this Agreement without any cure rights.

(cc) Franchisee will:

(i) carry continuously during the Term insurance of the types, in the amounts and with the coverage specified from time to time in the Brand Standards Manual and in any lease between Franchisee and Franchisor. Until the Brand Standards Manual specifies otherwise, Franchisee will carry insurance with the policy limits specified in the Summary Pages. Each policy must (1) be primary and non-contributory; (2) be issued by an insurance company(ies) with a rating of not less than "AVII" in the current Best Insurance Guide or approved by Franchisor; (3) name Franchisor and such Affiliates of Franchisor as Franchisor may designate as "additional insureds" and will contain an "Additional Insured-Designated Person or Organization" endorsement (or equivalent), without any qualifying language; (4) provide that the insurance cannot be canceled or non-renewed, except upon 30 days advance written notice to Franchisor; (5) contain a waiver of subrogation rights of the insurer(s) against Franchisor and its designated Affiliates, which waiver will be effective regardless of whether any loss is caused by the act, omission or negligence of Franchisor and its designated Affiliates, and (6) will contain a "Waiver of Transfer Rights of Recovery Against Others" endorsement (or its equivalent).

(ii) furnish Franchisor certificates of insurance, all insurance policy endorsements and a copy of the insurance policy(ies), if requested by Franchisor to prove that such insurance coverage is in effect, both prior to the opening of the Waterloo Turf Business and thereafter, as requested by Franchisor (but in no event less than once per calendar year). Renewal insurance certificates of insurance will be

delivered to Franchisor 30 days prior to the expiration date of each insurance policy. All deductible amounts on all insurance policies required hereunder will be disclosed in writing to and approved in advance by Franchisor and noted on the applicable insurance certificate. If Franchisee fails to maintain the required insurance, Franchisor may, but will not be obligated to, obtain coverage on Franchisee's behalf and charge the cost to Franchisee. Franchisee agrees to reimburse Franchisor for the premium costs it incurs to provide such coverage, plus interest as provided in this Agreement, within ten days after Franchisor submits a statement for its costs.

(dd) Franchisee acknowledges the importance of operating the Waterloo Turf Business in full compliance with this Agreement and the Brand Standards, and that any deviation from any contractual requirement, including any Brand Standard, is a violation of this Agreement and will trigger incalculable administrative and management costs for Franchisor to address the violation (separate and apart from any damages Franchisee's violation might cause to the System, Franchisor's business opportunities, or the goodwill associated with the Marks). Therefore, Franchisee agrees to pay Non-Compliance Fees to Franchisor as and when applicable, which Non-Compliance Fees are a reasonable estimate of Franchisor's administrative and management costs and not a penalty. Franchisor need not give Franchisee a cure opportunity before charging the Non-Compliance Fees, and charging the Non-Compliance Fee does not prevent Franchisor from seeking to recover damages to the System, Franchisor's business opportunities, or the goodwill associated with the Marks due to Franchisee's violation, seeking injunctive relief to restrain any subsequent or continuing violation, and/or formally defaulting Franchisee and terminating this Agreement in accordance with its terms.

10. Advertising and Promotions.

(a) **Grand Opening Advertising.** Franchisee will expend the Grand Opening Ad Expenditure for an initial opening advertising and promotion program to be conducted in accordance with the Brand Standards within the 90 day period after the Opening Date for the Waterloo Turf Business. Franchisee will submit the grand opening advertising budget to Franchisor for approval at least 30 days prior to expending the Grand Opening Ad Expenditure. The Grand Opening Ad Expenditure will be paid directly to the applicable service providers and not to Franchisor. Franchisee will submit proof of payment of the Grand Opening Ad Expenditure upon Franchisor's request.

(b) Local Advertising.

(i) Throughout the term of this Agreement, Franchisee will spend the Local Ad Expenditure set forth in the Summary Pages on local advertising for the Waterloo Turf Business; provided that the Local Ad Expenditure will not exceed a maximum of 5% of Gross Sales. Any marketing materials not created by Franchisor are subject to Franchisor's approval, and must be submitted to, and approved by, Franchisor in advance of their distribution, publication or broadcast, and such use must be discontinued upon written notice from Franchisor, including in connection with any approved uses of Social Media. Franchisee will submit to Franchisor an advertising expenditure report accurately reflecting all local advertising expenditures no later than the 5th day of each calendar month during the term of this Agreement (or at any other frequency or on any other date directed by Franchisor in writing). In addition to the restrictions set forth below, costs and expenditures incurred by Franchisee in connection with any of the following will not be included in Franchisee's expenditures on local advertising for purposes of this Section, unless approved in advance by Franchisor in writing: (1) incentive programs for employees or agents of Franchisee, including the cost of honoring any discounts or coupons distributed in connection with such programs; (2) research expenditures; (3) free Approved Products and Services costs incurred in any promotion; (4) salaries and expenses of any employees of Franchisee, including salaries or expenses for attendance at advertising meetings or activities; (5) charitable, political or other contributions or donations; (6) press parties or other expenses of publicity; (7) in-store materials consisting of fixtures or equipment;

(8) seminar and educational costs and expenses of employees of Franchisee; and (9) specialty items such as T-shirts, premiums, pins, and awards, unless those items are part of a market-wide advertising program and then only to the extent that the cost of the items is not recovered by the promotion.

(ii) Franchisee agrees to participate in all system-wide promotions and advertising campaigns Franchisor originates, and to use Franchisor's then current advertising agency (if any) and pay all then current advertising agency fees applicable to Franchisee's engagement of Franchisor's then current advertising agency (if any).

(iii) Should Franchisee create its own local advertising and promotions, as provided in this Section, Franchisor reserves the right to approve in advance of use by Franchisee any graphic materials or commercials developed by Franchisee and the media in which they are placed.

(c) National Brand Fund.

(i) Franchisor has a National Brand Fund. Franchisee agrees to make contributions to the National Brand Fund in the manner (including payment by automatic debit), and in the amount of the National Brand Fund Contribution set forth in the Summary Pages; provided that the National Brand Fund Contribution will not exceed a maximum of 3% of Gross Sales.

(ii) Franchisor will use the National Brand Fund (i) to create advertising and marketing materials relating to the System and the Approved Products and Services Waterloo Turf Businesses sell, including local advertising material, (ii) to arrange for, place and run advertisements, commercials and promotional materials in local, regional and national media, (iii) to pay for public relations services and projects (including sponsorships) intended to enhance the goodwill and public image of the System, (iv) to conduct market research, taste studies, focus groups and advertising tracking studies, and (v) to reimburse Franchisor or its Affiliates (based on allocations calculated by Franchisor's management) (a) for salaries and other overhead expenses that are directly related to projects of a character described above in this Section 10, and (b) for part of the cost of maintaining the Waterloo Turf Website or Social Media. However, Franchisor will not use National Brand Fund contributions to pay for those components of the Waterloo Turf Website that publicize the franchise program or the sale of franchises.

(iii) Franchisor may provide Franchisee with specimens or proofs of media commercials, advertisements and promotional material (including point-of-purchase materials) funded from the National Brand Fund. Franchisee acknowledges that additional copies of such materials will be at Franchisee's sole expense. If Franchisor provides customized copies, it may charge Franchisee a customization fee. In all cases, Franchisee must pay to reproduce, place and run any of these materials in any local advertising campaign that Franchisee pursues independently of the National Brand Fund.

(iv) Franchisor reserves the right to allocate National Brand Fund contributions to various permitted uses as it sees fit. Franchisor does not guarantee that all Waterloo Turf Business will equal advertising benefits in view of regional differences in media costs, varying degrees of market penetration in different DMAs and other relevant factors. Waterloo Turf Business that are owned or operated by Franchisor and its Affiliates will contribute to the National Brand Fund in the same amounts and manner as similarly situated franchised Waterloo Turf Business.

(v) Franchisor reserves the right to structure the National Brand Fund's organization and administration in ways that, in Franchisor's judgment, most effectively and efficiently accomplish the National Brand Fund's objectives. Franchisor may therefore organize or reorganize the National Brand Fund as a separate non-profit corporation or other appropriate entity and transfer the National Brand Fund's assets to the entity. If Franchisor establishes a separate entity to administer the National Brand Fund,

Franchisee agrees to become a member of the entity and, in that regard, to sign a participation agreement and take such other steps as Franchisor specifies.

11. Concerning the Internet, Customer Information and Privacy Laws.

(a) **Internet Domain Name.** Franchisee and each of the Principals acknowledge that Franchisor or its Affiliates are the lawful, rightful and sole owners of the internet domain names used by Franchisor in connection with the Waterloo Turf Business Network and unconditionally disclaim any ownership interest in that phrase or any similar internet domain name (i) such domain names and any domain names that may be confusingly similar and (ii) the words or letters “Waterloo Turf” and any abbreviation, acronym or variation of such words or letters. Franchisee and the Principals agree not to register any internet domain name in any class or category that contains the words “Waterloo Turf” or any abbreviation, acronym or variation of those words or letters.

(b) **Waterloo Turf Website.**

(i) Franchisor or its affiliates have established and plan to maintain the Waterloo Turf Website to provide information about the Franchise and the Approved Products and Services that Waterloo Turf Business offer. Franchisor will have control over the Waterloo Turf Website’s design and contents. Franchisor will have no obligation to maintain the Waterloo Turf Website indefinitely, and may dismantle it (and if dismantled may reinstate it) at any time without liability to Franchisee.

(ii) The Waterloo Turf Website may include a series of interior pages that identify participating Waterloo Turf Businesses by address and telephone number. At Franchisee’s request and upon Franchisee’s execution of a terms of use agreement in a form provided by Franchisor, Franchisor will, technology permitting, include by the Waterloo Turf Website one or a series of interior pages dedicated to information about the Waterloo Turf Business. Franchisee may propose the content of the page(s), but such content must be developed by Franchisor or its webmaster at Franchisee’s expense, with a template that Franchisor provides and will be subject to Franchisor approval prior to posting as to form, content and programming quality. Franchisee will not have the capability to modify its page(s) except in coordination with Franchisor’s webmaster and in compliance with the Brand Standards. Franchisor can remove references to the Waterloo Turf Business from the Waterloo Turf Website with or without notice to Franchisee if Franchisee is not then in current compliance with this Agreement.

(c) **Social Media.** Unless otherwise expressly agreed, neither Franchisee nor any of the Principals, employees or agents may use the Marks or otherwise mention the Waterloo Turf Businesses, Waterloo Turf Business Network or System in connection with any business or personal uses of Social Media. In all cases, Franchisor has sole discretion and control over any profiles using or relating to the Marks, Waterloo Turf Businesses, Waterloo Turf Business Network or System, or that display the Marks, that are maintained or posted on Social Media. Franchisor may (but need not) establish guidelines pursuant to which Franchisee may establish profiles or otherwise establish a presence on Social Media. In such event, Franchisee will comply with the standards, protocols and restrictions that Franchisor imposes from time to time on such use, and Franchisor will have the right to revoke any prior permissions as it deems appropriate due to any violations thereof. Franchisor may use part of the National Brand Fund Contributions it collects under this Agreement to pay or reimburse the costs associated with the development, maintenance and update of profiles on Social Media. In all cases, Franchisee will indemnify the Indemnitees with respect to any Losses and Expenses incurred by the Indemnitees arising from third-party claims with respect to any such authorized or unauthorized use of Social Media.

(d) **Waterloo Turf Business Intranet.**

(i) Franchisor may, at its option, establish and maintain a so-called intranet through which members of the Waterloo Turf Business Franchise Network may communicate with each other and through which Franchisor may disseminate updates and supplements to the Brand Standards Manual and other information. Franchisor will have no obligation to maintain the Waterloo Turf Business Intranet indefinitely, and may dismantle it at any time without liability to Franchisee.

(ii) Franchisor may establish policies and procedures for the Waterloo Turf Business Intranet's use, and Franchisee will adhere to any such policies and procedures as a condition to participation and use of the Waterloo Turf Business Intranet.

(e) **Customer Information.** All Customer Information that Franchisee collects from Customers of the Waterloo Turf Business and all revenues Franchisee derives from such Customer Information (if any) will be Franchisee's property and sole responsibility, but subject to any Applicable Laws, Franchisee grants to Franchisor and its Affiliates a perpetual, royalty free, unlimited and unrestricted license to access, store, aggregate, and distribute across the Waterloo Turf Network (including to other franchisees) all Customer Information, and to otherwise use such Customer Information as Franchisor deems appropriate. Franchisee will obtain any consent from any Customer or third-party or take any other step required by Applicable Laws or Franchisor to ensure the legality and enforceability of such grant to Franchisor.

(f) **Privacy and Data Protection.** Franchisor and Franchisee recognize that each is an independent "data controller" as that term is used in applicable Privacy Laws. Franchisor and Franchisee are not joint controllers, nor is either Franchisor nor Franchisee acting as a data processor (as that term is used in applicable Privacy Laws) in connection with this Agreement. In all cases, Franchisee will take all necessary actions to independently: (i) learn and comply with all applicable Privacy Laws, including all required Customer consents in accordance with applicable Privacy Laws; (ii) learn and comply with the Brand Standards as they relate to Privacy Laws and the privacy and security of Customer Information; (iii) learn and comply with any posted privacy policy and other representations made to the individual identified by Customer Information that Franchisee processes, and communicate any limitations required thereby to any authorized receiving party in compliance with all Privacy Laws; (iv) refrain from any action or inaction that could cause Franchisor or its Affiliates to breach any Privacy Laws; (v) maintain, and cause adherence by Franchisee's personnel to all reasonable physical, technical and administrative safeguards and related policies for Customer Information that is in Franchisee's possession or control in order to protect such Customer Information from unauthorized processing, destruction, modification, or use that would violate this Agreement, the Brand Standards (which may include a non-exhaustive list of the minimum types of policies that must be implemented) or any Privacy Law; (vi) do and execute, or arrange to be done and executed, each act, document and thing Franchisor deems necessary in its business judgment to keep Franchisor and its Affiliates in compliance with the Privacy Laws; and (vii) immediately report to Franchisor the breach of any requirements in this Agreement or the Brand Standards regarding Customer Information or any Privacy Law, or the theft or loss (or any apparent or alleged theft of loss) of Customer Information (other than the Customer Information of Franchisee's own officers, directors, shareholders, employees or service providers). Franchisee will, upon request, provide Franchisor with information, reports, and the results of any audits performed regarding Franchisee's data security policies, security procedures, or security technical controls related to Customer Information. Franchisee will, upon Franchisor's request, provide Franchisor or its representatives with access to Franchisee's Technology and Information Systems, records, processes and practices that involve processing of Customer Information in order to mitigate a security incident or so that an audit may be conducted. Franchisee will indemnify, defend and hold Franchisor and its Affiliates, and their respective officers, directors, shareholders, members, managers, partners, employees, servants, independent contractors, attorneys, representatives, agents and

associates harmless in connection with any claim or action arising out of or relating to: (i) any theft, loss or misuse (including any apparently or alleged theft, loss or misuse) of Customer Information; and (ii) Franchisee's breach of any of the terms, conditions or obligations relating to data security, Privacy Laws or Customer Information set forth in this Agreement. Franchisee will immediately notify Franchisor upon discovering or otherwise learning of any theft, loss or misuse of Customer Information. Franchisee will, at Franchisor's direction, but at Franchisee's sole expense, (i) undertake remediation efforts on its own in concert with Franchisor's directions, (ii) reasonably cooperate with any remediation efforts undertaken by Franchisor and (iii) undertake efforts to prevent the recurrence of the same type of incident, including by paying for any remediation and post-breach monitoring process deemed appropriate by Franchisor. Franchisee will not make any public comment regarding and data security incident without Franchisor's approval. Any notifications to the media or Customers regarding theft or loss of Customer Information will be handled exclusively by Franchisor at Franchisor's election and neither Franchisee nor its personnel may contact the media or Customers relating to such theft or loss unless Franchisee is under a legal obligation to do so, in which case (i) Franchisee must notify Franchisor in writing promptly after concluding that Franchisee has the legal obligation to notify any Customers and (ii) Franchisee will limit, or ensure the limitation of, the notices to Customers to those required by the legal obligation or as pre-approved by Franchisor. Franchisee will reasonably cooperate in connection with any notices to Customers regarding theft or loss and Franchisee will assist with sending such notices upon request by Franchisor. In addition, and notwithstanding anything to the foregoing, Franchisee grants its consent to the processing, including the transfer and communication in the United States, of its own personal data provided by or related to Franchisee and this Agreement.

12. Term and Successor Agreement.

(a) The Franchise will continue for the Term, subject to earlier termination in accordance with the terms and conditions of this Agreement.

(b) If, upon the expiration of the Term, Franchisee is in full compliance with Franchisee's agreements and obligations under this Agreement and each other franchise agreement or other agreement with Franchisor and its Affiliates (if any), then Franchisee will have the option to enter into up to 2 consecutive successor Franchise Agreements for a term of 5 years each by (1) notifying Franchisor in writing of Franchisee's intention to enter into such successor agreement not earlier than 210 days nor later than 180 days before the then-current Franchise Agreement's scheduled expiration date, (2) signing Franchisor's then-current successor form of Franchise Agreement (which will define Franchisee's subsequent successor rights and the terms of which may be materially different from this agreement, including new and higher fees, rights or obligations), (3) executing (and causing all Principals to execute) a release of all claims against Franchisor, its Affiliates, and their respective officers, directors, shareholders, partners and employees in such form prescribed by Franchisor, (4) not later than 180 days before the then-current Franchise Agreement's scheduled expiration date, completing the remodeling, refurbishing and modernizing of the Waterloo Turf Business, including its Approved Equipment and Supplies (such as Vehicles, Trade Dress and Technology and Information Systems), and taking any other actions otherwise required by Franchisor to bring the Waterloo Turf Business into full compliance with the Brand Standards Franchisor then stipulates, subject to Franchisee's prior remodel activities and any specific remodel limitations set forth in this Agreement, (5) paying the Renewal Fee, (6) completing to Franchisor's satisfaction such additional training of Franchisee and its employees as Franchisor deems necessary, (7) satisfying all monetary obligations owed to Franchisor and its Affiliates under, or in connection with, this Agreement, and (8) upon request by Franchisor, presenting satisfactory evidence that Franchisee has the right to remain in possession of the Office for the duration of the successor term.

(c) Franchisee's failure or refusal to comply with any of the conditions to execute a successor Franchise Agreement stated in this Agreement will be interpreted as a conclusive, irrevocable election on Franchisee's part not to enter into a successor Franchise Agreement.

(d) The relationship between Franchisor and Franchisee during the successive period(s) will be governed by the provisions of Franchisor's then current successor Franchise Agreement, including those pertaining to Continuing Fees due under this Agreement, advertising, competitive protection and Brand Standards. Whether or not Franchisee actually signs a then current successor Franchise Agreement, Franchisee will be conclusively presumed to have assented to and to have agreed to be bound by its terms by continuing to operate the Waterloo Turf Business for 1 day past the Term's expiration date.

(e) If Franchisee does not qualify to enter into a successor Franchise Agreement, or elects not to do so, immediately after expiration of the Term, Franchisee must comply with the post-termination requirements of this Agreement, and Franchisor will have the post-termination rights and remedies provided in this Agreement.

13. Use of Intellectual Property.

(a) **Marks and Copyrighted Materials.** Franchisee acknowledges that Franchisor is authorized by law to prevent the unauthorized use of the Marks, to control the quality of goods and services associated with the Marks, and to control the copying and distribution of the Copyrighted Materials. Recognizing the importance to Franchisor of the protection and preservation of the Marks and Copyrighted Materials, Franchisee agrees to perform and abide by the following provisions:

(i) Franchisee acknowledges that Franchisor or its Affiliate is the lawful and rightful owner of each and all of the Marks and the Copyrighted Materials, that Franchisor has the right to use the Marks and to license to Franchisee the right to use the Marks and Copyrighted Materials in accordance with this Agreement, that Franchisee's interest in the Marks and the Copyrighted Materials is solely that of a Franchisee, and that all uses of the Marks and the Copyrighted Materials by Franchisee will inure to the benefit of Franchisor and its Affiliate. Franchisee unconditionally disclaims any ownership interest in any of the Marks and the Copyrighted Materials.

(ii) Franchisee will not use the term "Waterloo Turf", any Marks, or any abbreviation, acronym or variation of them as part of its name or as part of the legal name of any Business Entity in which Franchisee owns or holds an interest. However, Franchisee may or shall, if required by Applicable Laws, file an assumed name or fictitious name certificate to the effect that Franchisee is operating the Waterloo Turf Business under a trade name that includes one or more of the Marks.

(iii) Franchisee will not use any of the Marks or the Copyrighted Materials in connection with the advertisement, promotion, sale or distribution of any Approved Products and Services or other products or services not listed in Franchisor's authorized list.

(iv) Franchisee will not copy, distribute or otherwise disseminate any of the Copyrighted Materials in violation of the restrictions and limitations imposed by this Agreement.

(v) Franchisee will not use any of the Marks or the Copyrighted Materials in connection with the development or operation of any new business (other than the Waterloo Turf Business) until Franchisor and Franchisee have both signed a Franchise Agreement for the additional Waterloo Turf Business.

(vi) Franchisee will (i) adopt and use all additional trade names, trademarks, brand names, copyrighted materials, slogans, commercial symbols and logos Franchisor develops from time to time, (ii) use all the Marks in the precise form Franchisor prescribes, and (iii) observe Franchisor directions regarding the use, copying and distribution of the Copyrighted Materials, the presentation of the Marks and the manner of the Marks' display and use. Franchisee will promptly abandon and discontinue the use of any Mark or Copyrighted Materials as directed by Franchisor for any reason. Franchisee will submit to Franchisor all advertisements and promotional materials not furnished by Franchisor for its approval prior to use and will use no such item unless and until Franchisor provides its approval thereof.

(vii) Franchisee will not use any of the Marks on, or in association with, any Approved Products and Services or other products or services other than in compliance with the Brand Standards, and with such other quality control measures that Franchisor may adopt from time to time to promote and defend the goodwill associated with the Marks.

(viii) Franchisee will not knowingly permit, and will promptly report to Franchisor, any apparently unauthorized use of a Mark and any apparently unauthorized use or copying of any Copyrighted Materials by any Person, or the use by any Person of a trade name, trademark, service mark or symbol that might be construed as an infringement of any Mark or as unfair competition or passing-off at common law, and will actively cooperate with the Franchisor in the investigation of infringement claims and in discovery and trial proceedings related to infringement actions. Franchisor reserves the right to make the final determination of infringement or other unlawful use, to conduct all legal proceedings relating to the Marks and the Copyrighted Materials, and to compromise or settle all infringement claims.

(ix) At no time will Franchisee make any written or oral admission that any Marks or any of Franchisor's copyrights is in any way invalid or infringes the rights of any Person or is open to any other form of attack, but will promptly notify Franchisor of any allegation of invalidity or infringement of which Franchisee becomes aware. Franchisor intends to defend its rights in the Marks and the Copyrighted Materials vigorously, but does not warrant to Franchisee that Franchisor's ownership of any of them is incontestable or that they do not infringe or conflict with the rights of any third-party.

(x) Upon the expiration or termination of the Franchise, all goodwill associated with the Marks and Copyrighted Materials will inure to Franchisor. Further, Franchisee will immediately discontinue all further uses of the Marks and Copyrighted Materials and will take appropriate action to remove the Marks from the Office in which the Waterloo Turf Business is located, to cancel any advertising relating to Franchisee's use of the Marks or the Copyrighted Materials, including social media postings, yellow pages listings, and to cancel or withdraw any assumed or fictitious name filings covering Franchisee's use of Franchisor's trade name. Franchisee acknowledges and agrees that failure or refusal to comply fully with these requirements will constitute willful trademark and copyright infringement.

(b) **The System, Trade Secrets and Brand Standards Manual.** Franchisee and the Principals acknowledge that the System and the Trade Secrets belong exclusively to Franchisor and its Affiliates and that, as between Franchisor, Franchisee and the Principals, the ideas and information in the Brand Standards Manual are Franchisor's sole and exclusive property. Franchisee and the Principals further acknowledge that the unauthorized disclosure or use of any confidential element of the System, any Trade Secret or any other information the Brand Standards Manual contains may adversely affect the business, competitive position and goodwill of Franchisor and its Franchisees. Accordingly, Franchisee and the Principals agree to perform and abide by the following provisions and restrictions, each of which will survive the expiration or termination of this Agreement and will be perpetually binding upon Franchisee.

(i) Franchisee and the Principals will hold the elements of the System, the Trade Secrets and the contents of the Brand Standards Manual in strict confidence, will not disclose any Trade

Secret or any operating or management procedure to any Person other than the Controlling Principal and bona fide employees of the Waterloo Turf Business to whom such disclosure is necessary in relation to their job duties, and will instruct and routinely remind Franchisee's employees and Principals that the System, the Trade Secrets and the contents of the Brand Standards Manual are confidential and may not be disclosed or appropriated. Franchisee and the Principals will not disclose any element of the System, any of the Trade Secrets or the contents of the Brand Standards Manual, or make the Brand Standards Manual available, to any other Principal, shareholder, director, officer, partner, member or manager of Franchisee other than its Controlling Principal and other senior executive officers, if any, who are actively and regularly involved in the Waterloo Turf Business's management.

(ii) Franchisee and the Principals will not use any element of the System, any of the Trade Secrets or the operating, management or marketing procedures the Brand Standards Manual contains in connection with the operation of any establishment or enterprise other than the Waterloo Turf Business, and will promptly discontinue use of the System, the Trade Secrets and the operating, management and marketing procedures contained in the Brand Standards Manual upon the expiration or termination of the Franchise.

(iii) Franchisee and the Principals will not, without Franchisor's prior written consent, copy or permit any Person to copy or reproduce any part of the Brand Standards Manual and any other printed, graphic or audio/visual item designated by Franchisor as containing Trade Secrets or otherwise permit their use or inspection by any Person other than Franchisee and bona fide employees of the Waterloo Turf Business to whom such disclosure is necessary in relation to their job duties, and authorized Franchisor representatives.

(iv) Franchisee and the Principals acknowledge and agree that the version of the Brand Standards Manual on file in Franchisor's offices constitutes the standard, official version for purposes of resolving any question or dispute concerning the Brand Standards Manual's contents.

(v) Upon request by Franchisor, to the extent permitted under Applicable Laws, Franchisee will obtain from the General Manager (if any) and each of Franchisee's other managerial level employees of the Waterloo Turf Business a Confidentiality Agreement [and Covenant Not to Compete] in substantially the form attached hereto as Exhibit B, or such other form as Franchisor may designate, that is valid and enforceable under the laws of the state in which the Waterloo Turf Business operates and that imposes the restrictions and limitations of this Section on each such individual for the longest period then current Applicable Laws permit; provided that only those with a direct or indirect ownership interest in Franchisee will be required to sign Exhibit B with a Covenant Not To Compete. Each Confidentiality Agreement [and Covenant Not to Compete] will, at Franchisor's option, designate Franchisor as a party to the Confidentiality Agreement [and Covenant Not to Compete] or as a third-party beneficiary and will entitle Franchisor to enforce its provisions directly against the signatory.

(vi) Franchisee will keep the Brand Standards Manual and any other printed, graphic or audio/visual item designated by Franchisor as containing Trade Secrets in a safe and secure location at all times and will promptly return them to Franchisor upon the expiration or termination of the Franchise. Franchisee will be provided on loan 1 copy of the Brand Standards Manual in electronic format.

(vii) Franchisee and the Principals expressly acknowledge that all training materials (regardless of format) and all computer software and other programs developed by Franchisor or in accordance with the Brand Standards contain information, embody procedures or facilitate business practices that are proprietary to Franchisor and fall within the parameters of its Trade Secrets.

(viii) Franchisor reserves the right and privilege, at its sole and absolute discretion, to vary the System and Brand Standards to accommodate special needs of Franchisee, or those of any other franchisee, based upon the peculiarities of a particular site or location, density of population, business potential, population of trade area, existing business practices, requirements of Applicable Laws or local custom, or any other condition that Franchisor deems to be of importance to the successful operation of such franchisee's business. Further, Franchisor may periodically allow certain franchisees to depart from normal Brand Standards and routines in certain respects in order to experiment with or test new Approved Equipment and Supplies and/or Approved Products and Services or other supplies, products or services. In no event will such variance, or such testing, be deemed a waiver of any of Franchisor's rights, or an excuse from performance of any of Franchisee's duties hereunder. Franchisor will not under any circumstances be required to grant any variance to Franchisee. Nothing contained in this Section is intended to confer on Franchisee any right to compel Franchisor to grant a variance to Franchisee or to grant, withdraw or modify any variance given to any other franchisee.

(ix) Franchisee acknowledges and agrees that in no case will the System or Brand Standards include any personnel policies or procedures or security-related policies or procedures that Franchisor (at its option) may make available to Franchisee in the Brand Standards Manual or otherwise for Franchisee's optional use. Franchisee will determine to what extent, if any, personnel or security-related policies and procedures might apply to operations by the Waterloo Turf Business. Franchisor neither dictates nor controls labor or employment matters for franchisees and their employees and Franchisor is not responsible for the safety and security of the Waterloo Turf Business employees or patrons.

14. Confidentiality; Covenant Against Competition.

(a) Franchisee and the Principals acknowledge that the System and the Trade Secrets belong exclusively to Franchisor and that, as between Franchisor, Franchisee and the Principals, the ideas and information in the Brand Standards Manual are Franchisor's sole and exclusive property. Franchisee and the Principals further acknowledge that the unauthorized disclosure or use of any confidential element of the System, any Trade Secret or any other information the Brand Standards Manual contains may adversely affect the business, competitive position and goodwill of Franchisor and its franchisees. Accordingly, Franchisee and the Principals will hold the elements of the System, the Trade Secrets and the contents of the Brand Standards Manual in strict confidence, will not disclose any Trade Secret or any operating or management procedure to any Person other than the bona fide employees to whom such disclosure is necessary in relation to their job duties, and will instruct and routinely remind Franchisee's employees that the System, the Trade Secrets and the contents of the Brand Standards Manual are confidential and may not be disclosed or appropriated. The obligations of Franchisee and the Principals relating to the System, any Trade Secret and any other information contained in the Brand Standards Manual will survive the expiration or termination of this Agreement and will be perpetually binding upon Franchisee and the Principals. Although nothing in this Agreement precludes Franchisee from contacting or otherwise engaging with Governmental Authorities regarding its Waterloo Turf Business, if Franchisee receives a valid legal order or is otherwise required by Applicable Law to disclose any of Franchisor's Confidential Information to any Governmental Authority, Franchisee must promptly notify Franchisor in writing and provide a copy of the request and all relevant information regarding the request as it pertains to Franchisor's Confidential Information, including any specific required date for dissemination. Thereafter, before complying with the request, Franchisee must provide Franchisor at least 14 days' time to review the request and, at Franchisor's election and cost, permit Franchisor to seek a protective order or other remedy with the requesting party. Franchisee must provide reasonable assistance with any such action Franchisor elects to undertake. If Franchisor elects not to contest the request or if Franchisor is unsuccessful with its efforts and Franchisee remains legally compelled to make such disclosure, then Franchisee may do so, but Franchisee must: (a) only disclose that portion of the Confidential Information that it is required to disclose; (b) use reasonable

efforts to ensure that such Confidential Information is afforded confidential treatment; and (c) concurrently provide Franchisor a copy of all information provided to the Governmental Authority.

(b) In consideration of Franchisor's granting franchise rights to Franchisee and disclosing to Franchisee the System and other Trade Secrets, Franchisee and the Principals covenant and agree that, during the Term, Franchisee and the Principals will not own, operate, or develop, directly or indirectly, or accept employment by or hold an Ownership Interest in any Competing Business, except as a Franchisee of Franchisor, which is located (i) at the Office Address; or (ii) within the Territory, or (iii) within 25 miles of the perimeter of the Territory, or (iv) within 25 miles of the home or office premises of any other Waterloo Turf Business; or (v) within the United States of America; or (vi) within the world.

(c) In addition, Franchisee and the Principals covenant and agree that, for 2 years after the expiration or termination of this Agreement (or for Principals, after such person ceases to be a Principal), Franchisee and the Principals will not own, operate, or develop, directly or indirectly, or accept employment by or hold an Ownership Interest in any Competing Business, except as a Franchisee of Franchisor, which is located (i) at the former Office Address; or (ii) within the former Territory, or (iii) within 25 miles of the perimeter of the former Territory, or (iv) within 25 miles of the home or office premises of any other Waterloo Turf Business. For purposes of calculating the duration of the 2-year period, any time during which Franchisee or the Principals (as applicable) are in violation or breach of the covenant will be excluded.

(d) Franchisee and the Principals acknowledge that Franchisee's and the Principals' covenant not to compete is reasonable and necessary to protect the business and goodwill of the Waterloo Turf Business Network and to avoid misappropriation or other unauthorized use of the System and Franchisor's other Trade Secrets. Franchisee and the Principals acknowledge and confirm that Franchisee and the Principals possess the education, training and experience necessary to earn a reasonable livelihood apart from operating or developing a Competing Business or other similar business.

(e) The parties agree that the foregoing covenants will be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Franchisee and the Principals expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by Applicable Laws, as if the resulting covenant were separately stated in and made a part of this Section.

(f) Franchisee and the Principals understand and acknowledge that Franchisor will have the right to reduce the scope of any covenant, or any portion thereof, without their consent, effective immediately upon notice to Franchisee; and Franchisee and the Principals agree that they will comply forthwith with any covenant as so modified, which will be fully enforceable in all cases.

(g) Franchisee and the Principals expressly agree that the existence of any claims that any of them may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section. Franchisee and the Principals agree to pay all costs and expenses (including reasonable attorneys' fees) incurred by Franchisor in connection with the enforcement of this Section against any of them.

(h) Franchisee and the Principals further acknowledge that a violation of the terms of this Section 14 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and Franchisee and the Principals accordingly consent on their behalf to the issuance of an injunction prohibiting any conduct by any of them in violation of the terms of this Section.

(i) At Franchisor's request, subject to Applicable Laws, Franchisee shall require and obtain execution of confidentiality and/or noncompetition covenants similar to those set forth in this Section (including covenants applicable upon termination of a Person's relationship with Licensee) from each and every Principal and any other Person who has received or shall receive training or confidential information from Franchisor. The covenants required by this Section shall be substantially in the form contained in the Confidentiality Agreement [and Covenant Not to Compete] set forth at Exhibit B; provided that only Persons with an Ownership Interest in Franchisee will be required to agree to the noncompetition sections of Exhibit B. Failure by Franchisee to obtain execution of agreements containing the covenants required by this Section shall constitute an Event of Default under Section 16.

15. Transfers.

(a) **Transfer by Franchisor.** Franchisor and any holder of an Ownership Interest in Franchisor may voluntarily, involuntarily, directly or indirectly sell, assign, transfer, license, sublicense, sublease, collaterally assign, grant a security, collateral or conditional interest, intervivos transfer, testamentary disposition or other disposition of all or any part of its rights or obligations under this Agreement or any Ownership Interest in Franchisor to any Person without Franchisee's consent. Specifically, and without limitation to the foregoing, Franchisor may sell its assets, Marks or the System to a third-party; may offer its securities privately or publicly; may merge, spin-off, acquire other Business Entities, or be acquired by another Business Entity; may undertake a refinancing, recapitalization, leveraged buyout, or other economic or financial restructuring; and with regard to any or all of the above sales, assignments, and dispositions, Franchisee expressly and specifically waives any claims, demands, or damages against Franchisor arising from or related to the transfer of the Marks (or any variation thereof) or the System from Franchisor to any other party. If Franchisor assigns its rights in this Agreement, such assignment will constitute a novation as to Franchisor and Franchisor will be released from all further liability to Franchisee under this Agreement after the effective date of such transfer, and the transferee will be liable to Franchisee as if it was the original party to this Agreement. Nothing contained in this Agreement requires Franchisor to offer any products or services, whether or not bearing the Marks, to Franchisee if Franchisor assigns its rights in this Agreement.

(b) **Limitations on Franchisee Transfer.** Franchisee and the Principals acknowledge that the integrity of the Franchise and the stability of the Waterloo Turf Business Network depend on the business qualifications, financial capabilities, honesty and integrity of Franchisor's developers and franchisees. Franchisee and the Principals further acknowledge that Franchisor's lack of opportunity to evaluate and approve each potential franchisee's qualifications and the terms of each proposed Transfer could irreparably damage the System. Consequently, Franchisee and the Principals agree not to effectuate a Transfer, except as permitted by this Section, and in no event will Franchisee or any Principal attempt to effectuate any Transfer, without Franchisor's prior written consent. Any Transfer or attempted Transfer lacking Franchisor's prior written consent or that otherwise violates the restrictions in this Section will be null and void, will be ineffective and of no force or effect and will constitute a material default under this Agreement.

(c) **Conditions to Voluntary Transfer of Rights.** Any Transfer by Franchisee or any Principal will be subject to Franchisor's prior written consent, which may be conditioned on, among other things, any or all of the following:

(i) At the time of Transfer, Franchisee, the Principals and their respective Affiliates are in full compliance with their respective obligations under this Agreement and all other agreements with Franchisor and its Affiliates, including payment of all monetary obligations due Franchisor and its Affiliates.

(ii) If the proposed Transfer involves the complete disposition of the Franchise, Franchisee relinquishes the Franchise and related rights under this Agreement in writing.

(iii) If Franchisee is exiting the Waterloo Turf Business Network, Franchisee returns the Brand Standards Manual and all Copyrighted Materials to Franchisor, including the Brand Standards.

(iv) The transferee meets Franchisor's criteria for qualifying as a new Franchisee, including having no existing relationship with a Competing Business.

(v) Franchisee furnishes Franchisor a copy of the contract of sale, including price and payment terms, and Franchisor determines that the transferee will be able to satisfy any debt obligations to Franchisee and still derive a reasonable profit from the Waterloo Turf Business's operation.

(vi) If a Transfer of Control over Franchisee is contemplated, the transferee executes then current forms of Franchise Agreement (which will limit the term of the transferee's Franchise to the unexpired Term of Franchisee's Franchise and which will supersede the terms of this Agreement) and other collateral agreements Franchisor may then require.

(vii) The transferee agrees to upgrade the Waterloo Turf Business to meet Franchisor's then-current Brand Standards for new Waterloo Turf Businesses, including the furniture, fixtures, equipment, Trade Dress, Technology and Information Systems and promotional supplies, subject to Franchisee's prior Brand Standards satisfaction activities.

(viii) The transferee and its Affiliates provides Franchisor a waiver and release with respect to liability for any financial data, earnings claims, representations and other information Franchisee or its representatives provided the transferee.

(ix) All new Principals designated by Franchisor execute a Personal Guaranty and Principals' Undertaking, as determined by Franchisor in its sole discretion.

(x) The transferee and one or more of transferee's key management personnel satisfactorily complete Franchisor's training program.

(xi) Franchisee pays a Transfer Fee to Franchisor.

(xii) Franchisee, the Principals and Franchisee's transferees must provide to Franchisor an unconditional, general release of all claims any of them may have against Franchisor, its Affiliates, and their respective officers, directors, shareholders, partners and employees.

(xiii) The transferee must hold, or be immediately eligible to hold, any Applicable Licensure necessary to operate the Waterloo Turf Business.

(d) Special Transfers.

(i) If Franchisee is an individual Person or multiple individual Persons, then such individual Person(s) may apply to Franchisor to transfer the Franchise and this Agreement to a Business Entity that is solely owned by such individual Person or multiple individual Persons and formed solely for the purpose of holding development rights for and/or operating the Waterloo Turf Business, and Franchisor will waive payment of a Transfer Fee and its right of first refusal and consent to such transfer so long as Franchisee first provides Franchisor such documentation and information concerning the Business Entity and the resulting ownership of Franchisee as Franchisor may request, and the existing and New Franchisee and such Principals designated by Franchisor sign the new, current form of franchise agreement or an amendment to this Agreement, a transfer agreement and consent, and Personal Guaranty and Principals' Undertakings.

(ii) So long as the Controlling Principal will not change, Franchisor will consent to Transfers among Franchisee's original Principals and waive payment of a Transfer Fee and its right of first refusal upon its receipt of such documentation and information concerning a Transfer and the resulting ownership of Franchisee as Franchisor may request. The required documentation will include, without limitation, a Personal Guaranty and Principals' Undertaking, as generally required by this Agreement.

(iii) Neither Franchisee nor any of its Affiliates or Principals may engage in a Securities Offering without the prior written consent of Franchisor (whether or not Franchisor's consent is otherwise required under this Section with respect to such Transfer). Franchisor's consent may be withheld for any reason, and may be conditioned upon its verification that the Prospectus does state or imply (by use of the Marks or otherwise) that Franchisor is sponsoring or otherwise participating in the Securities Offering or that Franchisor will receive any part of the proceeds from the Securities Offering. To seek Franchisor's consent, Franchisee must submit a complete copy of the Prospectus to Franchisor prior to the time the Prospectus is filed with a government agency or official or, if an exempt Securities Offering is contemplated, prior to the delivery of the Prospectus to any prospective investor. Franchisor will have 30 days after its receipt of the Prospectus either to provide its consent, withhold its consent or advise Franchisee of the deficiencies that must be corrected prior to Franchisor's providing its consent. Franchisor will have no obligation to provide its consent, including unless and until all deficiencies it notes have been corrected. Any consent by Franchisor will not constitute an endorsement or ratification of the offering or the prospectus, either express or implied. Franchisee and the other participants in a Securities Offering will fully indemnify Franchisor in connection with the offering. For each proposed Securities Offering, Franchisee will reimburse Franchisor for its costs and expenses associated with reviewing the proposed offering, including, without limitation, legal and accounting fees and salaries of Franchisor's personnel; provided that Franchisor may request an advance on such costs and expenses before initiating its review.

(iv) Franchisee may grant a security interest in this Agreement or the Franchise to the limited extent permitted by Section 9-408 of the Uniform Commercial Code. Any such security interest may only attach to an interest in the proceeds of the Waterloo Turf Business's operations and may not under any circumstances entitle or permit the secured party to take possession of or operate the Waterloo Turf Business or to Transfer Franchisee's interest in the Franchise without Franchisor's express prior written consent. The grant of a security interest in a manner consistent with this Section will not be subject to the Transfer prohibitions in this Agreement.

(c) Right of First Refusal.

(i) If Franchisee or the Principal(s) wishes to effectuate a Transfer that will effect a direct or indirect change in Control of Franchisee, pursuant to any *bona fide* offer received from a third-party to purchase that interest, then the proposed seller will promptly notify Franchisor in writing of the offer, and will provide any additional information and documentation relating to the offer that Franchisor requires. Franchisor will have the option, exercisable within 45 days after receipt of all written documentation requested by Franchisor describing the terms of the offer, to send written notice to the seller that Franchisor intends to purchase the seller's interest on the same terms and conditions offered by the third-party.

(ii) If an offer from a third-party provides for payment of consideration other than cash, Franchisor may elect to purchase the interest proposed to be sold for the cash equivalent. If the parties cannot agree within a reasonable time on the cash equivalent of the non-cash part of the offer, then the cash equivalent will be determined by two appraisers, with each party selecting one appraiser, and the average of their determinations constituting the binding valuation. In the event of an appraisal under this provision, each party will bear its own legal and other costs and will split the appraisal fees equally.

(iii) If Franchisor elects to purchase the seller's interest, closing on the purchase will occur no later than 60 days after the date Franchisor gives notice to the seller of the election to purchase, provided that Franchisor has received all necessary permits and approvals, or on such other date as the parties agree in writing. If Franchisor exercises its right of first refusal, it may set off all amounts due from Franchisee or any of its Affiliates (including, if applicable, all fees for any appraiser due from Franchisee) against any payment for the interest to be purchased.

(iv) A decision of the Franchisor not to exercise the right of first refusal granted by this Section will not constitute a waiver of any other provision of this Agreement, including all of the Transfer requirements of this Section, with respect to a proposed Transfer. If Franchisor does not exercise its right of first refusal on any particular offer, any material change in the terms of the offer before closing will constitute a new offer subject to the same right of first refusal by Franchisor as in the case of the initial offer. Failure to comply with the provisions of this Section will constitute a material event of default under this Agreement.

(f) Purchase Upon Franchisee's Death or Disability.

(i) This Section applies only if (i) an individual Franchisee or a Principal owning a Controlling Interest in a Business Entity Franchisee dies or becomes Permanently Disabled during the Term, and (ii) the death or Permanent Disability results in a change in executive-level responsibility for managing the Waterloo Turf Business.

(ii) During the first 120 days after Franchisor receives notice of the death or Permanent Disability, Franchisor will evaluate the new management's willingness and ability to operate the Waterloo Turf Business in compliance with this Agreement. By the end of the 120-day evaluation period, Franchisor will decide whether the new management is qualified to manage the Waterloo Turf Business and will notify management of its decision. As conditions to continuing the Franchise relationship, Franchisor may require a new Personal Guaranty and Principals' Undertaking, and any deficiency in Franchisee's compliance with the requirements of this Agreement must be cured. Further, Franchisor may require management to attend and satisfactorily complete Franchisor's initial training program.

(iii) If any of the conditions stated in this Section are not satisfied, or if Franchisor decides that the new management has not adequately demonstrated its business qualifications or commitment to the Franchise relationship, the remaining Principals will have 120 days after delivery of Franchisor's notice to (i) locate new management that is acceptable to Franchisor, or (ii) sign a binding contract to sell the Franchise or a Controlling Interest in the Franchise to a buyer approved by Franchisor in accordance with the requirements of this Agreement. The proposed sale will be subject to Franchisor's right of first refusal.

(iv) If any of the Principals fail to sign a binding contract of sale before the 120-day selling period expires, or if a contract is signed, but the proposed sale is not concluded within 30 days after Franchisor relinquishes its right of first refusal, Franchisor will have an additional option during the next 30 days to purchase the interest the deceased or Permanently Disabled person held at the date of death or Permanent Disability. The purchase price for the interest will be its fair market value, determined through good faith negotiations or, such negotiations failing, then by appraisal by an independent third party agreed upon by the parties. Unless otherwise agreed by the parties, the purchase price will be payable in cash at closing. If Franchisor delivers written notice of its intention to exercise the option within the 30-day period, the option will be considered effectively exercised whether or not the purchase is actually consummated within the 30-day period.

(v) If the parties fail to agree on a purchase price for the interest within 21 days after delivery of Franchisor's notice, the purchase price will be determined by two appraisers in accordance with the appraisal process specified in the right of first refusal provision.

(g) **Involuntary Transfers.** No involuntary Transfer or partitioning of Franchisee's or the Principals' interest in the Franchise or under this Agreement, whether in connection with a bankruptcy, foreclosure, divorce or other proceeding, will be effective against Franchisor unless and until (1) the transferee furnishes Franchisor a signed guaranty under which the transferee agrees to be jointly and severally liable for the payment of Franchisee's monetary obligations under this Agreement, whether or not such obligations are then delinquent, (2) the transferee agrees in writing to be personally bound by the confidentiality provisions and restrictive covenants in this Agreement, and (3) the Transfer encompasses Franchisee's and the Principals' total interest in the Franchise and under this Agreement, irrevocably designates and appoints Franchisee to be the transferee's agent and attorney-in-fact with whom Franchisor may deal for all purposes expressed in or contemplated by this Agreement.

(h) **Waiver of Interference Claims.** Franchisee acknowledges that Franchisor has legitimate reasons to evaluate the qualifications of potential transferees and to analyze and critique the terms of their purchase contracts with Franchisee. Franchisee also acknowledges that Franchisor's contact with potential transferees for the purpose of protecting its business interests will not constitute improper or unlawful conduct. Franchisee expressly authorizes Franchisor to investigate any potential transferee's qualifications, to analyze and critique the proposed purchase terms with the transferee, and to withhold consent to economically questionable transactions. Franchisee waives any claim that action Franchisor takes in relation to a proposed transfer to protect its business interests constitutes tortious interference with contractual or business relationships.

16. Default.

(a) If any Event of Default occurs, Franchisee will be in default under this Agreement, whether or not Franchisor gives notice of the default. Franchisor's failure to take prompt action with respect to a particular Event of Default will not constitute a waiver of that or any subsequent Event of Default.

(b) Except as otherwise described in this Section or required by Applicable Laws, the following are Events of Default that Franchisee may cure by taking appropriate remedial action within the applicable cure period. If Franchisee fails to cure such an Event of Default, Franchisor may terminate the Franchise or take any of the other actions this Agreement permits.

(i) Franchisee fails to pay or expend in full when due any Continuing Fees and other payments to Franchisor, or any trade account (including shipping charges) payable to Franchisor or its Affiliates, including for any Approved Equipment and Supplies and/or Approved Products and Services and other supplies, products and services, and fails to cure such default by making payment in full, including any applicable interest as provided by this Agreement, within 15 days after Franchisor notifies Franchisee in writing of the remedial action to be taken.

(ii) Franchisee fails to pay any trade obligation due to a vendor with whom Franchisor or any of its Affiliates does business, as a result of which the vendor withholds or threatens to withhold the sale of goods or services, or withdraws or threatens to withdraw the availability of normal trade terms, to Franchisor, any Franchisor Affiliate or another Franchisee, and fails to cure such default within 30 days after Franchisor notifies Franchisee in writing of the remedial action to be taken.

(iii) Franchisee fails to fulfill any requirement, to perform any obligation, or to observe any restriction set forth in this Agreement or the Brand Standards Manual, including without

limitation obligations or restrictions regarding the development, participation in initial training, opening and operations of the Waterloo Turf Business and use, offer or sale of Approved Equipment and Supplies and/or Approved Products and Services or other products and services in connection with the Waterloo Turf Business, or any other condition or restriction contained in this Agreement and not otherwise addressed in this Section, and fails to cure such default within 30 days after Franchisor notifies Franchisee in writing of the remedial action to be taken.

(iv) Franchisee fails to fulfill any requirement or to perform any obligation set forth in Section 10 with respect to advertising and promotions (other than with respect to payment or expenditure of Continuing Fees) and fails to cure such default within 15 days after Franchisor notifies Franchisee in writing of the remedial action to be taken.

(v) Franchisee or any other Person bound under this Agreement fails or refuses to honor a request for indemnification under this Agreement and fails to cure such default within 10 days after Franchisor notifies Franchisee in writing of the remedial action to be taken.

(vi) Franchisee or any other Person bound under this Agreement breaches (a) any restriction or obligation relating to advertising or use of the internet set forth in this Agreement or any related terms of use agreement, or (b) any covenant or obligation relating to Franchisor's intellectual property set forth in this Agreement or otherwise makes any unauthorized use of a Mark, an item of Copyrighted Materials or an element of the System and fails to cure such default within 10 days after Franchisor notifies Franchisee in writing of the remedial action to be taken.

(vii) Any lease for the Office expires or is terminated and Franchisee fails to renew or obtain approved replacements for the Waterloo Turf Business in accordance with this Agreement within 15 days after Franchisor notifies Franchisee in writing of the remedial action to be taken.

(viii) Franchisee or any agent, representative or employee of Franchisee or other Person associated with the Waterloo Turf Business (a) violates any Applicable Laws in connection with the operation of the Waterloo Turf Business, or (b) fails to obtain, prior to opening, one or more of the licenses, permits or certificates required to operate a Waterloo Turf Business (including any Applicable Licensure or licenses to operate motor vehicles) in accordance with the Brand Standards, or if such certificates are suspended or terminated for any reason and fails to cure such default by promptly notifying Franchisor and taking all necessary action as approved by Franchisor to cure such violation within 72 hours after Franchisee receives notice of the violation.

(ix) Franchisee fails to comply with any notification, investigation and/or remediation requirements implemented by Franchisor during any Crisis Management Event, and/or fails to cure such default within 48 hours after Franchisor notifies Franchisee in writing of the remedial action to be taken.

(x) Franchisee fails an inspection conducted by Franchisor in accordance with this Agreement and there is one or more health, safety or sanitation conditions in the Waterloo Turf Business that Franchisor reasonably determines may pose an imminent threat to public health or safety that Franchisee fails to cure within 24 hours after receipt of written notice thereof; provided that Franchisor may also require Franchisee to immediately cease all operations of the Waterloo Turf Business until any such default is fully cured if Franchisor deems it necessary in its sole discretion.

(c) Following are Events of Default that are irreversible and cannot be cured, and this Agreement will terminate immediately upon notice to Franchisee, unless otherwise indicated below.

(i) Franchisee or any other Person bound under this Agreement fails to observe or comply with the requirements of this Agreement regarding (a) any actual or purported or attempted sale, assignment or Transfer of interests or assets related to this Agreement or the Waterloo Turf Business, (b) any non-competition and confidentiality covenants, (c) any unauthorized use or duplication of any aspect of the System, any use, offer and/or sale of unauthorized Approved Equipment and Supplies and/or Approved Products and Services in connection with the Waterloo Turf Business or for other purposes, or (d) any representation, warranty or covenant with respect to terrorist activities and money laundering.

(ii) Franchisee abandons the Waterloo Turf Business, including without limitation failing to respond to Franchisor or to Customer inquiries during normal business hours on more than 5 consecutive days, excluding major changes to the furniture, fixtures, equipment, leasehold improvements used in the Waterloo Turf Business in accordance with a schedule approved by Franchisor.

(iii) Franchisee and/or any Person bound under this Agreement commits or allows to occur the same Events of Default 2 or more times in any 12-month period, whether or not notified to Franchisee and whether or not cured in accordance with this Agreement.

(iv) Franchisee and/or any Person bound under this Agreement commits or allows to occur three or more similar or different Events of Default in any 12-month period, whether or not notified to Franchisee and whether or not cured in accordance with this Agreement.

(v) Franchisee or any guarantor of Franchisee's monetary obligations to Franchisor becomes insolvent, is adjudicated a bankrupt, voluntarily files a petition for liquidation or reorganization under any provision of the United States Bankruptcy Code, makes an assignment for the benefit of creditors or takes any other action pursuant to any federal or state insolvency statute or a receiver or other custodian is appointed for Franchisee's business or business assets. In such event, this Agreement will terminate automatically and immediately without notice to Franchisee.

(vi) Franchisee or one or more of the Principals is convicted of, or pleads guilty or no contest to (even if a final court order has not issued), a felony or a crime involving fraud, sexual harassment, battery, drug possession, moral turpitude or any other crime or offense, or is credibly accused, charged or otherwise proven to have committed any act (regardless of whether such act constitutes a crime) that in Franchisor's sole opinion is reasonably likely to have an adverse effect on the System or the Marks, or the goodwill associated with the System or the Marks.

(vii) Franchisee and/or any Person bound under this Agreement has credibly been accused, charged or otherwise confirmed to have sexually harassed or intimidated any individual; has intentionally engaged in racial, ethnic, religious, sexual or other offensive discrimination against any individual or group; has knowingly engaged in any other activity or business practice that Franchisor reasonably considers materially detrimental to the reputation or public image of Franchisor or its Affiliates or their owners, directors, officers or employees, the Marks or the Waterloo Turf Business Network; or has knowingly engaged in conduct that is grossly unethical in relation to the culture and business values on which the Waterloo Turf Business Network is founded, whether or not the behavior or conduct constitutes a violation of federal, state or local law.

(viii) Franchisee knowingly maintains false books or records or submits any false reports to Franchisor, its Affiliates or any third-party vendor or supplier.

(ix) Franchisee fails to timely open the Waterloo Turf Business for business by the Required Opening Date (subject to any approved extensions thereof).

(d) Franchisor and Franchisee acknowledge that the franchise rights contemplated under this Agreement are granted on the assumption that there will be no Adverse Change of Law during the term of this Agreement. If, at any time during the term of this Agreement, there occurs an Adverse Change of Law, the parties agree to use their best efforts and to cooperate with each other in good faith to amend this Agreement either to bring it into conformity with the requirements of the Adverse Change of Law or to seek an alternative way to comply with the Adverse Change of Law which allows both parties to continue to enjoy the economic benefits of this Agreement. If, in Franchisor's or Franchisee's judgment, this Agreement cannot be modified to comply with the Adverse Change of Law without undermining material elements of the franchise relationship or the enjoyment of the economic benefits thereunder, Franchisor or Franchisee (as applicable) may, at its option, without liability for such action or any further obligation to the other, terminate this Agreement and the territorial rights granted hereby upon 60 days' written notice to Franchisor or Franchisee (as applicable); provided that Franchisee shall be required to comply with all post-termination obligations set forth in this Agreement as a continuing condition to any such termination.

17. Termination; Other Remedies.

(a) If Franchisee commits or allows an Event of Default to occur and does not cure it before the related remedial period, if any, expires, Franchisor may, at its option, but subject to compliance with Applicable Laws, either terminate the Franchise and Franchisee's rights under this Agreement or compel Franchisee to sell the Franchised Waterloo Turf Business in accordance with this Agreement. Upon termination or expiration of the Franchise, Franchisee's right and privilege to use the System, the Marks, the Copyrighted Materials, the Trade Secrets and all components of the Brand Standards Manual will absolutely and unconditionally cease. Franchisee will immediately:

(i) Cease using, offering and selling Approved Equipment and Supplies and/or Approved Products and Services and any other products and services, and either sell to or otherwise dispose of all unsold Approved Equipment and Supplies and/or Approved Products and Services and related products and services, as directed by Franchisor.

(ii) discontinue use of the Marks, the Copyrighted Materials, the System, Trade Secrets and all components of the Brand Standards Manual, and permanently remove and delete all such items from Franchisee's Technology and Information Systems;

(iii) return to Franchisor the entire Brand Standards Manual and any other printed, graphic or audio/visual item designated by Franchisor as containing Trade Secrets;

(iv) unless such items are sold to Franchisor or another Franchisee in the Waterloo Turf Business Network, remove from the Office all interior and exterior Waterloo Turf Business signs and other uses of the Marks;

(v) unless such items are sold to Franchisor or another Franchisee in the Waterloo Turf Business Network, alter the Office and related furniture, fixtures, equipment and leasehold improvements to remove all Trade Dress items and otherwise eliminate any and all distinctive features of the Franchise and to eliminate the ability of Franchisee or any third-party to use the Office and related furniture, fixtures, equipment and leasehold improvements for the offer or sale of Approved Products and Services or other products or services;

(vi) cease use of and/or transfer to Franchisor (at Franchisor's direction) all email addresses used in connection with the Waterloo Turf Business, regardless of whether such email addresses contain or reference one or more of the Marks;

(vii) cease use of and/or return to Franchisor all Customer Information in accordance with this Agreement; and

(viii) cease use of and/or remove to the extent possible all Social Media or other online profiles that use one or more of the Marks to advertise, promote or operate the Waterloo Turf Business and cancel all rights in and to any accounts for such Social Media or other online profiles; and

(b) Upon the Franchise's termination or expiration, Franchisor may immediately instruct the telephone company and all other directory publishers (both web-based and print) to transfer use and control of the Waterloo Turf Business's telephone number(s) and all directory listings to Franchisor or its designee. Franchisee irrevocably constitutes and appoints Franchisor and its designees as Franchisee's agent and attorney-in-fact to effect the transfer of the Waterloo Turf Business's telephone number(s) and directory listings, including authority to execute and deliver on Franchisee's behalf any transfer of service agreement the telephone company or other directory listing providers requires, and to revoke any call-forwarding or similar instructions Franchisee has given the telephone company. Franchisor will have no liability to Franchisee on account of or arising from any action it authorizes or takes to effect the transfer of the Waterloo Turf Business's telephone number(s) and other directory listings in accordance with this Section. In addition, Franchisor will be entitled to injunctive or similar relief, without bond, against Franchisee and any other Person bound under this Agreement to enforce compliance with these requirements.

(c) If Franchisee does not comply with the requirements of this Section within seven days after the Franchise's termination or expiration, Franchisor may, at Franchisee's expense, enter the Waterloo Turf Business's Office and effect Franchisee's compliance with all of that Section's requirements, including removal and storage of Franchisee's signs, and alteration or removal and storage of Trade Dress items. Franchisee irrevocably constitutes and appoints Franchisor and its designees as Franchisee's agent and attorney-in-fact to effect compliance with these requirements, and Franchisor will have no liability to Franchisee, in trespass or otherwise, on account of or arising from any action it authorizes or takes to effect Franchisee's compliance. In addition, Franchisor will be entitled to injunctive or similar relief, without bond, against Franchisee and any other Person bound under this Agreement to enforce compliance with these requirements.

(d) In lieu of immediately terminating the Franchise in accordance with Section 17(a), Franchisor may:

(i) suspend Franchisee's right to participate in one or more advertising, marketing, or promotional programs otherwise available to the Waterloo Turf Business Network;

(ii) suspend or terminate Franchisee's participation in any temporary or permanent fee reductions to which Franchisor might have agreed (whether as a policy, in an amendment to this Agreement, or otherwise);

(iii) refuse to provide any operational support this Agreement requires; or

(iv) demand and require Franchisee to sell the Waterloo Turf Business and transfer Franchisee's rights under this Agreement to a purchaser acceptable to Franchisor. After Franchisor demands such sale, Franchisee will have no further right or opportunity to cure a default or to reinstate Franchisee's right to continue operating the Waterloo Turf Business. Except for Franchisor's right to approve a proposed purchaser and to ensure that all Continuing Fees and other amounts due Franchisor and/or Franchisee's trade creditors are paid at the closing of the sale, Franchisee will be entitled to establish and negotiate the terms of sale. If Franchisee does not execute a binding agreement with an approved purchaser and deliver a copy of such agreement to Franchisor within 90 days after Franchisee receives Franchisor's demand to

sell, or does not consummate the sale within 45 days after negotiations are completed, Franchisor may terminate the Franchise under Section 17(a) without further notice. Franchisee acknowledges and agrees Franchisor will not act as a broker for any transaction contemplated by this Section and that actions to be taken by Franchisor in connection with approving a transfer pursuant to this Section will not make Franchisor a broker for such transfer.

(e) In addition to any other rights and remedies (and in lieu of immediately exercising its rights under Section 17(a)), Franchisor may notify each supplier, distributor or vendor of Approved Equipment and Supplies and/or Approved Products and Services or other products and services that Franchisee is no longer authorized to purchase these Approved Equipment and Supplies and/or Approved Products and Services or other products and services, and that sales of such items to Franchisee must therefore be discontinued until further notice from Franchisor.

(f) In addition to any other rights and remedies, Franchisee will immediately pay to Franchisor, and Franchisor is entitled to recover, all amounts owed to Franchisor in connection with this Agreement, and all trade obligations due Franchisor, plus interest and any late fees under this Agreement (as applicable), with or without terminating the Franchise. If any such obligation is referred to an attorney for collection or is collected in whole or in part through a judicial proceeding, Franchisee agrees to pay Franchisor's attorneys' fees and costs of collection, plus a charge for the staff and administrative time Franchisor expends to enforce its claims.

(g) In addition to any other rights and remedies, Franchisor may remove information on Franchisee and the Waterloo Turf Business from the Waterloo Turf Website, cancel Franchisee's access and use of the Technology and Information Systems, including the Waterloo Turf Business Operating System if applicable), cancel Franchisee's account on the Waterloo Turf Business Intranet network and/or deny Franchisee further access to communication via the Intranet, with or without terminating the Franchise.

(h) In addition to any other rights and remedies, Franchisor may obtain injunctive relief, without bond, against Franchisee and/or any other Person bound under this Agreement restraining the unauthorized or violative use of any Mark, item of Copyrighted Materials or Trade Secret, with or without terminating the Franchise.

(i) In addition to any other rights and remedies, Franchisor may recover damages from Franchisee and any other Person bound under this Agreement for the unauthorized use of any Mark and/or Trade Secret or the unauthorized use, copying or distribution of any item of Copyrighted Materials, and for any loss of Customer or future Franchisee goodwill in the vicinity of the Waterloo Turf Business.

(j) In addition to any other rights and remedies and regardless of whether Franchisor purchases the Waterloo Turf Business, Franchisor will have an option (but no obligation) to purchase all or any part of the Waterloo Turf Business's useable Approved Equipment and Supplies and/or Approved Products and Services, and Franchisee's ownership interest (if any) in any non-home based Office from Franchisee free and clear of all liens, restrictions or encumbrances, exercisable by giving written notice thereof to Franchisee within 60 days after the Franchise expires or is terminated. Franchisor will be entitled to all customary warranties and representations in connection with Franchisor's asset purchase, including, without limitation, representations and warranties as to ownership and condition of and title to assets; liens and encumbrances on assets; validity of contracts and agreements; and liabilities effecting the assets, contingent or otherwise. The purchase price for any Vehicle will equal its net book value (cost, less depreciation) or fair market value, whichever is lower; the purchase price for useable Approved Equipment and Supplies and/or Approved Products and Services or other products will equal to its invoiced cost to Franchisee; and the purchase price for the Office will be fair market value. Fair market value will be

determined by two appraisers, with each party selecting one appraiser, and the average of their determinations constituting the binding market value. Each party will bear its own legal and other costs and will split the appraisal fees equally. The purchase price will be payable in cash (except that Franchisor may assume any note or lease for such items at its discretion). Franchisee agrees to provide Franchisor the information necessary to establish the purchase price, to sign and deliver to Franchisor a deed, bill of sale or an assignment of lease, transfer good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interest acceptable to Franchisor, if any) with all sales and other transfer taxes paid by Franchisee and all licenses and permits of the Waterloo Turf Business which may be assigned, and otherwise to cooperate with Franchisor in its taking title to and possession and delivery of the items Franchisor purchases. The purchase price will be paid at the closing of the purchase, which will take place not later than 90 days after determination of the purchase price. Franchisor may exclude from the assets purchased hereunder cash or its equivalent and any equipment, signs, inventory, materials and supplies that are not necessary (in function or quality) to the Waterloo Turf Business's operation or that Franchisor has not approved as meeting standards for Waterloo Turf Business, and the purchase price will reflect such exclusions. Additionally, Franchisor has the right to set off against the purchase price, and thereby reduce the purchase price by, any and all amounts Franchisee or the Principals owe to Franchisor. If Franchisee fails or refuses to comply with its obligations under this Section during the option period, Franchisor's option will be extended until 15 days after Franchisee complies.

(k) In addition to any other rights and remedies, Franchisor or Franchisor's designee will have the option (but no obligation) to assume any lease or sublease for any non-home based Office. If Franchisor or its designee assumes any lease or sublease for the Office, the assignee must assume all of Franchisee's obligations under the lease from and after the date of assignment, but will have no obligation to pay any delinquent rent or to cure any other default under the lease that occurred or existed prior to the date of the assignment. Franchisee will be solely responsible for any assignment fee or similar charge, or any increase or acceleration of rent under all leases or subleases in connection with an assignment to Franchisor or its designee.

18. Indemnification.

(a) Franchisee and the Principals, jointly and severally, will, at all times and to the fullest extent permitted by Applicable Laws, indemnify the Indemnified Parties from and defend them against all Losses and Expenses of any of the Indemnified Parties that arise out of or are based upon any of the following:

(i) The operation or condition of any part of the Waterloo Turf Business, including at the Office and driving to and from and at Customer physical locations where the Waterloo Turf Business is operated, the conduct of business by the Waterloo Turf Business and any acts or omissions of Franchisee or Franchisee's employees, agents or contractors, including with respect to the collection or use of Customer Information.

(ii) The infringement, alleged infringement, or any other violation or alleged violation by Franchisee or any of the Principals of any patent, trademark, copyright, or other proprietary right owned or controlled by third parties unless, and to the extent that, the Action is based upon or arises from Franchisee's authorized use of the Marks in strict compliance with the terms of this Agreement.

(iii) The violation or breach by Franchisee or any of the Principals or any other Person affiliated with the Waterloo Turf Business of any Applicable Laws, including but not limited to Privacy Laws or Applicable Licensure.

(iv) Franchisee's failure to obtain and maintain the types and amount of insurance coverage set forth in the Brand Standards Manual or otherwise required by Franchisor.

(v) Libel, slander, or any other form of defamation of the Indemnified Parties, the System or any other Franchisee by Franchisee or any of the Principals.

(vi) The violation or breach by Franchisee, or any of its Affiliates or Principals of any warranty, representation, agreement or obligation in this Agreement or other agreement between Franchisee or its Affiliates and one or more of the Indemnified Parties.

(vii) Acts, errors, or omissions of Franchisee, its Affiliates, the Principals and their respective owners, officers, employees, agents and representatives in connection with the establishment and operation of the Waterloo Turf Business pursuant to this Agreement.

(viii) Any and all encumbrances, liens, assessments, levies, charges, surcharges, demands for payment, taxes or any other liabilities imposed on Franchisor or on or as a result of any payment due to or paid to Franchisor under this Agreement, by any taxing authority or any political subdivision, instrumentality, agency or other body of any governmental or taxing authority.

(ix) Any actual or alleged claim that Franchisor and Franchisee are joint employers of any Franchisee employee or personnel.

(b) Franchisee and each of the Principals agrees to give Franchisor immediate notice of any Action subject to indemnification under this Agreement. At the expense and risk of Franchisee and each of the Principals, Franchisor may elect to control (but under no circumstance is obligated to undertake), and associate counsel of its own choosing with respect to, the defense and/or settlement of any such Action. Such an undertaking by Franchisor will, in no manner or form, diminish the obligation of Franchisee and each of the Principals to indemnify the Indemnified Parties and to hold them harmless.

(c) In order to protect persons or property or the reputation or goodwill of itself or others, Franchisor may, at any time and without notice, as it deems appropriate, consent or agree to settlements or take such other remedial or corrective action as it deems expedient with respect to the Action if, in Franchisor's judgment, there are grounds to believe that:

(A) Any of the acts or circumstances enumerated in this Section has occurred; or

(B) Any act, error or omission as described in this Section may result directly or indirectly in damage, injury or harm to any Person or any property.

(d) All Losses and Expenses incurred under this Section will be chargeable to and paid by Franchisee or any of the Principals pursuant and subject to their respective obligations of indemnity under this Section, regardless of any action, activity, or defense undertaken by Franchisor or the subsequent success or failure of that action, activity, or defense.

(e) THE INDEMNIFIED PARTIES DO NOT ASSUME ANY LIABILITY WHATSOEVER FOR ACTS, ERRORS, OR OMISSIONS OF THOSE WITH WHOM FRANCHISEE, ANY OF ITS AFFILIATES OR ANY OF THE PRINCIPALS, MAY CONTRACT. FRANCHISEE AND EACH OF FRANCHISEE'S PRINCIPALS THAT EXECUTES THE PERSONAL GUARANTY AND PRINCIPALS' UNDERTAKING WILL HOLD HARMLESS AND INDEMNIFY THE INDEMNIFIED PARTIES FROM ALL LOSSES AND EXPENSES THAT MAY ARISE OUT OF ANY ACTS, ERRORS, OR OMISSIONS OF FRANCHISEE, ITS AFFILIATES AND THE PRINCIPALS AND ANY SUCH

THIRD PARTIES, WITHOUT LIMITATION AND WITHOUT REGARD TO THE CAUSE OR CAUSES OF THE ACTS, ERRORS OR OMISSIONS OR THE NEGLIGENCE (WHETHER THAT NEGLIGENCE IS SOLE, JOINT, OR CONCURRENT, AND WHETHER ACTIVE OR PASSIVE) OR STRICT LIABILITY OF ANY OF THE INDEMNIFIED PARTIES OR ANY OTHER PARTY OR PARTIES ARISING IN CONNECTION THEREWITH, IN CONNECTION WITH THE ESTABLISHMENT AND OPERATION OF THE WATERLOO TURF BUSINESS, INCLUDING, BUT NOT LIMITED TO, ANY ACTS, ERRORS OR OMISSIONS OF ANY OF THE FOREGOING IN THE OPERATION OF ANY MOTOR VEHICLES, IN THE ESTABLISHMENT OR IMPLEMENTATION OF SECURITY FOR THE WATERLOO TURF BUSINESS, IN THE USE OF ANY INTERNET SITE OR INTRANET NETWORK DEVELOPED BY FRANCHISOR, ACTS OF ANY THIRD PARTIES, OR ACTS OR CLAIMS ARISING FROM THIS AGREEMENT.

19. Terrorist and Money Laundering Activities. Franchisee and the Principals represent and warrant to Franchisor that neither Franchisee, nor any Principal, nor any of their respective Affiliates is identified, either by name or an alias, pseudonym or nickname, on the lists of “Specially Designated Nationals” or “Blocked Persons” maintained by the U.S. Treasury Department’s Office of Foreign Assets Control. Further, Franchisee and the Principals represent and warrant that neither they nor any Principal or Affiliate referred to above has violated, and each of them agrees not to violate, any Applicable Laws prohibiting corrupt business practices, money laundering or the aid or support of Persons who conspire to commit acts of terror against any Person or government, including acts prohibited by the U.S. Patriot Act, U.S. Executive Order 13224, or any similar Applicable Laws. The foregoing constitute continuing representations and warranties, and Franchisee and the Principals will immediately notify Franchisor in writing of the occurrence of any event or the development of any circumstance that might render any of the foregoing representations and warranties false, inaccurate or misleading.

20. Law Governing; Dispute Resolution.

(a) **Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§1051 *et. seq.*), this Agreement will for all purposes be governed by and interpreted and enforced in accordance with the internal laws of the State of Texas, except that its choice of law and conflict of law rules will not apply. Notwithstanding the above, Franchisee and the Principals agree that the Texas Deceptive Trade Practices Act (and any successor laws, rules or regulations thereto) does not apply to the transactions contemplated by this Agreement.**

(b) The parties mutually agree that the state and federal courts located in the county in which Franchisor has its then current principal place of business (currently the U.S. District Court for the Western District of Texas, Austin Division, or if such court lacks jurisdiction, the state courts located in Austin, Texas), will be the exclusive venue and exclusive forum in which to adjudicate any Action arising from or relating to this Agreement and any guarantees hereof, undertakings hereunder provided and relationship established thereby, however, with respect to any Action which seeks monies owed, injunctive relief or other extraordinary relief, Franchisor may bring such action in any court of competent jurisdiction. The parties irrevocably submit to the jurisdiction of such courts and waive any objections to either the jurisdiction of or venue in such courts. The parties mutually agree that personal jurisdiction may be effected by alternative means of service of process and that when so made will be as if served personally. This Agreement was executed and accepted at Franchisor’s current place of business in or around Austin, Texas. The parties anticipate that the performance of certain of Franchisee’s obligations arising under this Agreement, including the payment of certain monies due Franchisor, will initially occur in or around Austin, Texas.

(c) **Except with respect to Franchisee’s and each Principal’s obligation to indemnify Franchisor and claims Franchisor brings for Franchisee’s unauthorized use of the Marks or**

unauthorized use or disclosure of any Trade Secrets, the parties waive to the fullest extent permitted by law any right to or claim for any punitive, exemplary, special and consequential damages against the other and agree that, in the event of any Action between the parties, the parties bringing the Action will be limited to equitable relief and to recovery of any direct or general damages it sustains; provided, however that Franchisor will have the right to seek and recover lost profits and/or all applicable liquidated damages afforded under this Agreement in the event of termination of this Agreement.

(d) Except for an Action arising from Franchisee's nonpayment or underpayment of amounts Franchisee owes Franchisor pursuant to this Agreement, or an Action related to Franchisee's unauthorized use of the Marks, any and all Actions arising out of or relating to this Agreement or the relationship created hereby will be barred unless an Action is commenced within 2 years and 1 day after the date on which the party asserting such Action knew or should have known of the facts giving rise to such Action. Notwithstanding the foregoing, with respect to any Actions arising out of or in connection with an Event of Force Majeure, the 2 years and 1 day limit on Actions provided for in this Section will be extended for a period equal to the extended performance period resulting from the Event of Force Majeure, provided that such period will not exceed 90 days.

(e) Franchisee and the Principals agree that any Action arising from or relating to this Agreement and any guarantees hereof, undertakings hereunder provided and the relationship established thereby shall be conducted on an individual basis, and not as part of a common, consolidated or class action.

21. JURY TRIAL WAIVER. THE PARTIES IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER PARTY RELATING TO THE RELATIONSHIP BETWEEN THE PARTIES OR ARISING UNDER OR IN ANY WAY CONNECTED WITH THIS AGREEMENT OR ANY RIGHT OR CURE HEREUNDER. THE PARTIES ACKNOWLEDGE THEIR RIGHT TO A JURY TRIAL, THAT THEY HAVE HAD AN OPPORTUNITY TO CONSULT WITH COUNSEL AND THAT THIS WAIVER IS ENTERED INTO KNOWINGLY AND VOLUNTARILY.

22. Liquidated Damages.

(a) If Franchisee unilaterally abandons the Franchise prior to the natural expiration of the term or Franchisor terminates this Agreement for cause in accordance with the terms of this Agreement, then, in addition to any other remedies available to Franchisor at law or in equity, Franchisor will be entitled to collect from Franchisee, and Franchisee agrees to pay within 15 days of demand by Franchisor, an amount equal to the average aggregated Royalty Fees that Franchisee paid or owed to Franchisor during the 12 months of operation preceding the effective date of termination multiplied by the lesser of (a) 24, or (b) the total number of months remaining in the Term of this Agreement had it not been terminated.

(b) If after (1) the expiration of the Franchise, or (2) the termination of the Franchise by Franchisor in accordance with this Agreement, Franchisee continues to use any of the Marks or element of the System in connection with the continued operation of the Waterloo Turf Business or otherwise, then, in addition to any other remedies available to Franchisor at law or in equity, Franchisor will be entitled to collect from Franchisee, and Franchisee agrees to pay within 15 days of demand by Franchisor, Continuing Fees for such use of the Marks and/or the System equal to 200% of the Continuing Fees that Franchisee would otherwise have been obligated to pay under this Agreement with respect to the operations of the Waterloo Turf Business.

(c) If Franchisee directly or indirectly opens or participates in the ownership or operation of a business in violation of the covenant not to compete expressed in this Agreement), then, in addition to any other remedies available to Franchisor at law or in equity, Franchisor will be entitled to receive throughout the term of the covenant, and Franchisee agrees to pay within 15 days of demand by Franchisor, a monthly fee equal to 15% of the competing businesses' revenues, measured in accordance with same parameters that Continuing Fees are measured under this Agreement; provided that for the avoidance of doubt only one monthly fee will be payable to Franchisor by Franchisee or any related Person in connection with a specific competing business that is violative of this Section of this Agreement and any Confidentiality Agreement [and Covenant Not to Compete] signed pursuant to this Agreement.

(d) Any demand for payment of liquidated damages under this Agreement does not constitute an election of remedies and any payments received will be in addition to and not in lieu of any other remedies available to Franchisor at law or in equity.

23. Miscellaneous.

(a) This Agreement will be binding upon and inure to the benefit of Franchisor and Franchisee and their respective successors, assigns, executors, heirs and personal representatives. If Franchisee is, or subsequently Transfers the Franchise to, a Business Entity, each Principal will also be personally and individually bound by the provisions of this Agreement that expressly.

(b) This Agreement will not be binding on Franchisor and no franchise rights will be granted unless and until each Principal designated by Franchisor executes and delivers a Personal Guaranty and Principals' Undertaking in the form attached as Exhibit A. Additionally, all Persons who receive Confidential Information as a result of Franchisee's operations hereunder, that do not satisfy the term "Principal" under this Agreement, will be required to execute a copy of the Confidentiality Agreement [and Covenant Not to Compete] attached to this Agreement as Exhibit B; provided that only Persons with an Ownership Interest in Franchisee will be required to agree to the noncompetition sections of Exhibit B.

(c) The provisions of this Agreement are severable, and if any provision is held illegal, invalid or unenforceable, the holding will not affect the legality, validity or enforceability of any other provision. Any illegal, invalid or unenforceable provision will be reformed to the minimum extent necessary to render it legal, valid and enforceable and, as so reformed, will continue in full force and effect.

(d) The term "Franchisee" includes the plural as well as the singular, the masculine and feminine genders, and Business Entities as well as individuals.

(e) This Agreement may not be amended, modified or rescinded, or any performance requirement waived, except by a written document signed by Franchisor and Franchisee. The parties expressly agree that this Agreement may not be amended or modified, or any performance standard changed, by course of dealing or inference from a party's conduct. This provision does not apply to changes in the Brand Standards Manual, which Franchisor may modify unilaterally.

(f) Notwithstanding any contrary provisions contained in this Agreement, Franchisor and Franchisee acknowledge and agree that (i) this Agreement (and the relationship of the parties which arises from this Agreement) grants Franchisor the discretion to make decisions, take actions and/or refrain from taking actions not inconsistent with Franchisee's explicit rights and obligations hereunder that may affect favorably or adversely Franchisee's interests; (ii) Franchisor will use its business judgment in exercising such discretion based on Franchisor's assessment of Franchisor's own interests and balancing those interests against the interests, promotion and benefit of the System and Waterloo Turf Businesses generally (including Franchisor, and its Affiliates and other Franchisees), and specifically without considering

Franchisee's individual interests or the individual interests of any other particular Franchisee (examples of items that will promote or benefit the System and Waterloo Turf Businesses generally include, without limitation, enhancing the value of the Marks, improving Customer service and satisfaction, improving project quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the System); (iii) Franchisor will have no liability to Franchisee for the exercise of its discretion in this manner; and (iv) even if Franchisor has numerous motives for a particular action or decision, so long as at least one motive is a reasonable business justification no trier of fact in any legal action will substitute its judgment for Franchisor's judgment so exercised and such action or decision will not be subject to challenge for abuse of discretion. IF FRANCHISOR TAKES ANY ACTION OR CHOOSES NOT TO TAKE ANY ACTION IN ITS DISCRETION WITH REGARD TO ANY MATTER RELATED TO THIS AGREEMENT AND ITS ACTION OR INACTION IS CHALLENGED FOR ANY REASON, THE PARTIES EXPRESSLY DIRECT THE TRIER OF FACT THAT FRANCHISOR'S RELIANCE ON A BUSINESS REASON IN THE EXERCISE OF ITS DISCRETION IS TO BE VIEWED AS A REASONABLE AND PROPER EXERCISE OF ITS DISCRETION, WITHOUT REGARD TO WHETHER OTHER REASONS FOR FRANCHISOR'S DECISION MAY EXIST AND WITHOUT REGARD TO WHETHER THE TRIER OF FACT WOULD INDEPENDENTLY ACCORD THE SAME WEIGHT TO THE BUSINESS REASON.

(g) This Agreement is not intended to create, and will not be interpreted or construed as creating, a partnership, joint venture, agency, employment, personal services, fiduciary or other "special" relationship between Franchisor and Franchisee, and no representation to the contrary will be binding upon Franchisor.

(h) This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but such counterparts shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement in electronic (e.g. "pdf") format shall be effective as delivery of a manually executed counterpart of this Franchise Agreement. The words "execution," "signed," "signature," and words of similar import in the Franchise Agreement shall be deemed to include electronic or digital signatures or the keeping of records in electronic form, each of which shall be of the same effect, validity and enforceability as manually executed signatures or a paper-based recordkeeping system, as the case may be, to the extent and as provided for under applicable law, including the Electronic Signatures in Global and National Commerce Act of 2000 (15 USC §7001 et seq.) or any other similar state or federal laws.

24. Notices. All notices permitted or required to be delivered pursuant to the provisions of this Agreement will be delivered in writing to the address listed on the Summary Pages for Franchisor and to the Office Address for Franchisee or such other address as the parties will specify by written notice, and will be deemed so delivered: (a) at the time delivered by hand; (b) 1 day after transmission by email, provided there is some proof of receipt; or (c) 1 day after being placed in the hands of a commercial courier service for next day delivery, provided there is some proof of receipt; and must be addressed to the party to be notified at the addresses as described above for Franchisor and Franchisee or such other address as the parties will specify by written notice.

25. Franchisee's Acknowledgments.

(a) Franchisee acknowledges and agrees that this Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof and supersedes all prior agreement, understandings, negotiations and discussions, whether oral or written, of the parties hereto, and there are no warranties, representations or other agreements between the parties hereto in connection with the subject matter hereof except as specifically set forth herein and therein; provided that to the extent applicable nothing in this Agreement, the Exhibits or any related agreement is intended to disclaim Franchisor's

representations contained in the franchise disclosure document provided to Franchisee in connection with this Agreement. No supplement, modification, waiver or termination of this Agreement will be binding unless executed in writing by the party hereto to be bound thereby. No waiver of any of the provisions of this Agreement will be deemed or will constitute a waiver of any other provisions (whether or not similar), nor will such waiver constitute a continuing waiver unless otherwise expressly provided.

(b) Franchisee acknowledges that no document that this Agreement requires will be binding on Franchisor unless it is signed on Franchisor's behalf by its authorized representative.

(c) Franchisee acknowledges and agrees that this Agreement creates an arm's length commercial relationship that cannot and will not be transformed into a fiduciary or other "special" relationship by course of dealing, by any special indulgences or benefits that Franchisor bestows on Franchisee, or by inference from a party's conduct.

(d) Franchisee acknowledges and agrees that Franchisee received (i) Franchisor's then current franchise disclosure document required by the Trade Regulation Rule of the Federal Trade Commission entitled "Disclosure Requirements and Prohibitions Concerning Franchising" at least 14 days prior to execution of this Agreement as required by such Trade Regulation Rule and (ii) a fully completed copy of this Agreement at least 7 days prior to execution as required by such Trade Regulation Rule, as further described on the Summary Pages.

[COMPLETED AND EXECUTED ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned have entered into this Agreement as witnessed by their signatures below.

FRANCHISOR:

Waterloo Turf Franchising Co, LLC,
a Texas limited liability company

FRANCHISEE:

By: _____
Name: Tim Lovett
Title: Chief Executive Officer

By: _____
Name: _____
Title: _____

EXHIBIT A

PERSONAL GUARANTY AND PRINCIPALS' UNDERTAKING

In consideration of, and as an inducement to, the execution of the Waterloo Turf Business Franchise Agreement with the date set forth below, including any appendices and amendments thereto (the "Franchise Agreement"), by and between Waterloo Turf Franchising Co, LLC, a Texas limited liability company with its headquarters office located as of the date hereof at 11701 Bee Caves Road, Suite 180, Austin, Texas 78734 ("Franchisor") and the Franchisee named below ("Franchisee"), the undersigned Principal hereby personally and unconditionally: (1) guarantees to Franchisor and its successors and assigns, for the Term of the Franchise Agreement and thereafter as provided in the Franchise Agreement, that Franchisee will punctually pay and perform the Franchise Agreements and covenants expressly provided by the terms of the Franchise Agreement; and (2) acknowledges that each is included in the term "Principal" as described in the Franchise Agreement and without limiting any guarantee of Franchisee's obligations under the Franchise Agreement, jointly and severally makes all of the covenants, representations, warranties and agreements of Principals set forth in the Franchise Agreement and is jointly and severally obligated to perform thereunder for so long as he or she qualifies as a Principal and thereafter to the extent expressly provided by the terms of the Franchise Agreement, including, but not limited to, the covenants, representations, warranties and agreements described in the following sections of the Franchise Agreement: Sections 14 (regarding confidentiality and non-competition), 15 (regarding Transfer), 18 (regarding indemnification), 20 (regarding governing law and dispute resolution) and 22 (Liquidated Damages); and (3) represents that each and every representation of Franchisee made in connection with the Franchise Agreement is true, correct and complete in all respects as of the time given and as of the time of the undersigned's execution of this Personal Guaranty and Principals' Undertaking. Any capitalized terms used but not defined in this Personal Guaranty and Principals' Undertaking will have the meaning set forth in the Franchise Agreement.

The undersigned waives: (a) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (d) any right he or she may have to require that an action be brought against Franchisee or any other person as a condition of liability; (e) notice of any

amendment to the Franchise Agreement; and (f) any and all other notices and legal or equitable defenses to which he may be entitled.

The undersigned consents and agrees that: (i) his or her direct and immediate liability under this Personal Guaranty and Principals' Undertaking will be joint and several; (ii) he or she will render any payment or performance required under the Franchise Agreement upon demand if Franchisee fails or refuses to do so punctually; (iii) such liability will not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and (iv) such liability will not be diminished, relieved or otherwise effected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which will in any way modify or amend this Personal Guaranty and Principals' Undertaking, which will be continuing and irrevocable until satisfied in full.

The undersigned agrees that the state and federal courts in the county which Franchisor has its then current principal place of business (currently the U.S. District Court for the Western District of Texas, Austin Division, or if such court lacks jurisdiction, the state courts located in Austin, Texas), will be the exclusive venue and exclusive forum in which to adjudicate any case or controversy arising from or relating to the Franchise Agreement and this Personal Guaranty and Principals' Undertaking. The undersigned irrevocably submits to the jurisdiction of such courts and waives any objections to either the jurisdiction of or venue in such courts. The undersigned agrees that personal jurisdiction may be effected by service of process and that when so made will be as if served personally. The undersigned irrevocably waives, to the fullest extent the undersigned may lawfully do so, the defense of an inconvenient forum to the maintenance of such suit, action or proceeding and agrees that service of process for purposes of any such suit, action or proceeding need not be personally served or served within the State of Texas but may be served with the same effect as if served within the State of Texas, by means permitted by law addressed to the undersigned at the address set forth herein. Nothing contained herein will affect Franchisor's rights to bring a suit, action or proceeding in any other appropriate jurisdiction, including any suit, action or proceeding brought to enforce any judgment against one or more of the undersigned entered by a state or federal court.

The undersigned further acknowledges and agrees as follows:

Each has read the terms and conditions of the Franchise Agreement and acknowledges that the execution of this Personal Guaranty and Principals' Undertaking is in partial consideration for, and a condition to the granting of the rights to the Marks and the System, and the Franchisor would not have granted such rights without the execution of this Personal Guaranty and Principals' Undertaking by the undersigned;

This Personal Guaranty and Principals' Undertaking will remain in force notwithstanding the death of the undersigned, and will be binding on the undersigned's personal representatives; and

This Personal Guaranty and Principals' Undertaking will continue and will be enforceable notwithstanding any change in the name or the constitution of the Franchisor or Franchisee.

The undersigned represents and warrants that the following is a complete and accurate list of all Principals of Franchisee and a full description of the nature and extent of each Principal's Ownership Interest in Franchisee. Franchisee, and each Principal as to his Ownership Interest, represents and warrants that each Principal is the sole and exclusive legal and beneficial owner of his Ownership Interest in Franchisee, free and clear of all liens, restrictions, agreements and encumbrances of any kind or nature, other than those required or permitted by this Personal Guaranty and Principals' Undertaking.

Name of Franchisee:_____ **Date of Franchise Agreement:**_____

IN WITNESS WHEREOF, the undersigned has hereunto affixed his signature, under seal, on the same day and year as the Franchise Agreement was executed.

**OWNERSHIP INTEREST IN
FRANCHISEE:**

CONTROLLING PRINCIPAL(S):

(Signature)

(Name)

EXHIBIT B

CONFIDENTIALITY AGREEMENT [AND COVENANT NOT TO COMPETE]

This Confidentiality Agreement (this “Agreement”) is made and entered into as of the Effective Date set forth below, between Waterloo Turf Franchising Co, LLC, a Texas limited liability company with its principal business address at 11701 Bee Caves Road, Suite 180, Austin, Texas 78734 (“Franchisor”), the Franchisee entity described in the signature below (“Franchisee”) and the owner, manager or employee described as the Recipient below (“Recipient”).

RECITALS

WHEREAS, Franchisor, as the result of the expenditure of time, skill, effort and money, has acquired the right to use and license others to use a distinctive System for the development and operation of the Waterloo Turf Businesses that operate under the Waterloo Turf Business trade name; and

WHEREAS, the System includes, but is not limited to, development guidelines, opening guidelines, operational guidelines, initial and ongoing training programs, business methods, designs, arrangements and Brand Standards for developing, opening and operating Waterloo Turf Businesses, including those pertaining to Office selection, Approved Equipment and Supplies (including Vehicles, Technology and Information Systems, equipment, supplies, signage and trade dress), Approved Products and Services and any other related products, services, supplies and items that are used, offered or sold in Waterloo Turf Businesses generally, methods of inventory control and requirements and policies regarding accounting and financial performance and advertising and marketing program, all of which Franchisor may improve, further develop or otherwise modify from time to time; and

WHEREAS, Franchisor’s Confidential Information developed and used in connection with the System provides economic advantages to Franchisor and includes information and know-how not generally known to, and not readily ascertainable by proper means by, Franchisor’s competitors who could obtain economic value from knowledge and use of the Confidential Information; and

WHEREAS, Franchisor has taken and intends to take all steps to maintain the confidentiality and secrecy of the Confidential Information; and

WHEREAS, Franchisor has granted Franchisee the limited right to develop a Waterloo Turf Business using the System, the Marks and Confidential Information for the period defined in the Franchise Agreement made and entered into on the date described below (“Franchise Agreement”), by and between Franchisor and Franchisee; and

WHEREAS, Franchisor and Franchisee have agreed in the Franchise Agreement on the importance to Franchisor and to Franchisee and other licensed users of the System of restricting the use, access and dissemination of the Confidential Information; and

WHEREAS, it will be necessary for certain personnel, agents, independent contractors, officers, directors, partners and interest holders of Franchisee, or any entity having an interest in Franchisee to have access to and to use some or all of the Confidential Information in the management and operation of Franchisee’s business using the System; and

WHEREAS, Franchisee has agreed to obtain from recipients of Confidential Information written Agreements protecting the System against unfair competition; and

WHEREAS, Recipient wishes to remain, or wishes to become employed by or associated with Franchisee; and

WHEREAS, Recipient wishes and needs to receive and use the Confidential Information in the course of his or her employment or association in order to effectively perform services for Franchisee; and

WHEREAS, Recipient acknowledges that receipt of and the right to use the Confidential Information constitutes independent valuable consideration for the representations, promises and covenants made by Recipient herein;

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

1. Recipient expressly acknowledges that Recipient possesses skills and abilities of a general nature and has other opportunities for exploiting such skills. Consequently, enforcement of the covenants made in this Agreement will not deprive Recipient of any personal goodwill or ability to earn a living.

2. Franchisor and/or Franchisee will disclose to Recipient some or all of the Confidential Information relating to the System. As used in this Agreement, "Confidential Information" will include all items contemplated in the Franchise Agreement's definition "Confidential Information" as well as any and all other information and materials, including, without limitation, any manuals, drawings, specifications, techniques and compilations of data which Franchisor provides to Franchisee and/or Recipient.

3. Recipient will receive the Confidential Information in confidence and will, at all times, maintain them in confidence, and use the Confidential Information only in the course of his or her employment by or association with Franchisee and then only in connection with the development and/or operation by Franchisee of the Waterloo Turf Businesses using the System for so long as Franchisee is licensed by Franchisor to use the System.

4. Recipient will not at any time make copies of any documents or compilations containing some or all of the Confidential Information without Franchisor's written permission.

5. Recipient will not at any time disclose or permit the disclosure of the Confidential Information except to other personnel of Franchisee and only to the limited extent necessary to train or assist other personnel of Franchisee in the development or operation or management of a Waterloo Turf Business using the System.

[THE BELOW SECTION IS ONLY APPLICABLE IF THE RECEIPIENT HAS AN OWNERSHIP INTEREST IN FRANCHISEE]

6. *If Recipient has a direct or indirect, legal or beneficial Ownership Interest of any type in Franchisee, including but not limited to (i) in relation to a corporation, the ownership of shares in the corporation; (ii) in relation to a partnership, the ownership of a general partner or limited partnership interest; (iii) in relation to a limited liability company, the ownership of a membership interest; or (iv) in relation to a trust, the ownership of the beneficial interest of such trust, Recipient covenants and agrees that, during the term of the Franchise Agreement and for 18 months after Recipient ceases to have such Ownership Interest or for 18 months after the Franchise Agreement has terminated for any reason, whichever occurs earlier, Recipient will not own or operate, directly or indirectly, or accept employment by or hold an interest in a Competing Business (defined as any residential or commercial artificial turf business whose primary focus is performing, offering and/or selling products and services similar to the Approved Products and Services to third parties through any means of distribution), which is located (i) at*

the Office Address; or (ii) within the Territory, or (iii) within 25 miles of the perimeter of the Territory, or (iv) within 25 miles of the perimeter of the territory of any other Waterloo Turf Business. For purposes of calculating the duration of the 18-month period, any time during which Recipient (as applicable) is in violation or breach of the covenant will be excluded. Recipient acknowledges that Recipient's covenant not to compete is reasonable and necessary to protect the business and goodwill of Franchisor and to avoid misappropriation or other unauthorized use of the System and Franchisor's Confidential Information. Recipient acknowledges and confirms that Recipient possesses the education, training and experience necessary to earn a reasonable livelihood apart from operating a Competing Business.

The parties agree that the foregoing covenant will be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Recipient expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section.

Recipient understands and acknowledges that Franchisor will have the right to reduce the scope of any covenant set forth in this Section, or any portion thereof, without his or her consent, effective immediately upon notice to Recipient; and Recipient agrees that he or she will comply forthwith with any covenant as so modified, which will be fully enforceable notwithstanding the provisions of this Agreement.]

7. Recipient will surrender any material containing some or all of Franchisor's Confidential Information to Franchisee or Franchisor, upon request, or upon termination of employment by or association with Franchisee, or upon conclusion of the use for which such information or material may have been furnished to Recipient.

8. Recipient will not at any time, directly or indirectly, do any act or omit to do any act that would or would likely be injurious or prejudicial to the goodwill associated with the Confidential Information and the System.

9. All manuals are loaned by Franchisor to Franchisee for limited purposes only and remain the property of Franchisor and may not be reproduced, in whole or in part, without Franchisor's written consent.

10. Any capitalized terms used but not defined in this Agreement will have the meaning set forth in the Franchise Agreement.

11. Franchisee will make all efforts to ensure that Recipient acts as required by this Agreement.

12. Recipient agrees that in the event of a breach of this Agreement, Franchisor would be irreparably injured and be without an adequate cure at law. Therefore, in the event of such a breach, or threatened or attempted breach of any of the provisions hereof, Franchisor will be entitled to enforce the provisions of this Agreement and will be entitled, in addition to any other remedies which are made available to it at law or in equity (including any right to terminate the Franchise Agreement, as provided therein), to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.

13. Recipient agrees to pay all expenses (including court costs and attorneys' fees) incurred by Franchisor and Franchisee in enforcing this Agreement.

14. Any failure by Franchisor or the Franchisee to object to or take action with respect to any breach of any provision of this Agreement by Recipient will not operate or be construed as a waiver of or consent to that breach or any subsequent breach by Recipient.

15. THIS AGREEMENT WILL FOR ALL PURPOSES BE GOVERNED BY AND INTERPRETED AND ENFORCED IN ACCORDANCE WITH THE LAW OF TEXAS, WITHOUT REFERENCE TO CONFLICTS OF LAW PRINCIPLES. RECIPIENT HEREBY IRREVOCABLY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON HIM OR HER IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY APPLICABLE LAW. RECIPIENT FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT WILL BE ANY COURT OF COMPETENT JURISDICTION WITH JURISDICTION OVER THE COUNTY IN WHICH FRANCHISOR HAS ITS THEN CURRENT PRINCIPAL PLACE OF BUSINESS (CURRENTLY AUSTIN, TEXAS); PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION WHICH INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR MAY BRING SUCH ACTION IN ANY COURT THAT HAS JURISDICTION.

16. The parties acknowledge and agree that each of the covenants contained herein are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor. The parties agree that each of the foregoing covenants will be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which Franchisor is a party, Recipient expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

17. This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a duly authorized writing executed by all parties.

18. For any breach of the non-competition/Competing Business obligations of this Agreement, and due to the difficulty of establishing the precise amount of damages for breach of these obligations, in addition to all other remedies provided for in this Agreement or otherwise available to Franchisor, and subject to Applicable Laws, Recipient agrees to pay Franchisor an amount equal to 15% of the gross revenues generated by a Competing Business with which Recipient is associated for a period equal to the duration Recipient is associated with the Competing Business; provided that for the avoidance of doubt only one monthly fee will be payable to Franchisor by Franchisee or any related Person in connection with a specific competing business that is violative of the Franchise Agreement directly and this Agreement. Demand for payment of liquidated damages does not constitute an election of remedies and any payments received will be in addition to and not in lieu of any other remedies to Franchisor at law or in equity.

19. This Agreement is not intended to create, and will not be interpreted or construed as creating, a partnership, joint venture, agency, employment, personal services, fiduciary or other "special" relationship between Franchisor and Recipient, and no representation to the contrary will be binding upon Franchisor.

20. All notices permitted or required to be delivered pursuant to the provisions of this Agreement will be delivered in writing to the appropriate address listed in the signature blocks for Franchisor, Franchisee and Recipient, or such other address as the parties will specify by written notice, and will be deemed so delivered: (a) at the time delivered by hand; (b) 1 day after transmission by email

(provided that the sender confirms the email by sending an original confirmation copy by expedited delivery service within 5 days after transmission); or (c) 1 day after being placed in the hands of a commercial courier service for next day delivery, provided there is proof of receipt.

21. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and will inure to the benefit of its respective Affiliates, successors and assigns. The respective obligations of Franchisee and Recipient hereunder may not be assigned by Franchisee or Recipient, without the prior written consent of Franchisor. Any assignment or attempted assignment lacking Franchisor's prior written consent or that otherwise violates the restrictions in this Section will be ineffective against Franchisor.

IN WITNESS WHEREOF, the undersigned have entered into this Agreement as witnessed by their signatures below.

FRANCHISOR

Waterloo Turf Franchising Co, LLC,
a Texas limited liability company

By: _____
Name: Tim Lovett
Its: Chief Executive Officer

Franchisor's Address for Notice Purposes:

Waterloo Turf Franchising Co, LLC
11701 Bee Caves Road, Suite 180
Austin, Texas 78734
Email: tim@waterlooturf.com

RECIPIENT:

By: _____
Name: _____
Title: _____
Date: _____

Recipient's Address For Notice Purposes:

Attention: _____
Email: _____

FRANCHISEE

By: _____
Name: _____
Its: _____

Franchisee's Address for Notice Purposes:

Attention: _____
Email: _____

EXHIBIT C

**AUTHORIZATION AGREEMENT
FOR PRE-AUTHORIZED PAYMENTS**

Waterloo Turf Franchising Co, LLC ("FRANCHISOR")

ID NUMBER: _____

The undersigned ("DEPOSITOR") authorizes FRANCHISOR to initiate debit entries to the Checking Account indicated below at the DEPOSITORY named below, and authorizes DEPOSITORY to debit to such account all entries FRANCHISOR initiates.

DEPOSITORY

NAME _____ BRANCH _____

CITY _____ STATE _____

CHECKING ACCOUNT NO. _____

ROUTING NUMBER _____

DEPOSITOR agrees that this authorization will remain in full force and effect until DEPOSITOR has given FRANCHISOR written notice of its revocation in such time and in such manner as to afford FRANCHISOR and DEPOSITORY a reasonable opportunity to act on the notice.

DEPOSITOR'S

NAME _____ ID NUMBER _____

DEPOSITOR'S SIGNATURE _____

TITLE OF PERSON SIGNING (if signed in a representative capacity) _____

DATE _____

NOTE: ALL WRITTEN DEBIT AUTHORIZATIONS MUST PROVIDE THAT THE DEPOSITOR MAY REVOKE THE AUTHORIZATION ONLY BY NOTIFYING THE DEBIT ORIGINATOR (FRANCHISOR) IN THE MANNER SPECIFIED IN THE AUTHORIZATION

EXHIBIT D

MAP OF WATERLOO TURF BUSINESS TERRITORY

**AMENDMENT TO WATERLOO TURF BUSINESS
FRANCHISE AGREEMENT
FOR THE STATE OF CALIFORNIA**

The Waterloo Turf Business Franchise Agreement between _____ (“Franchisee” or “Franchisee”) and Waterloo Turf Franchising Co, LLC (“Franchisor”) dated _____ (the “Franchise Agreement”) will be amended by the addition of the following language, which will be considered an integral part of the Franchise Agreement (the “Amendment”):

CALIFORNIA LAW MODIFICATIONS

1. The California Department of Financial Protection and Innovation requires that certain provisions contained in franchise documents be amended to be consistent with California law, including the California Franchise Investment Law, CAL. CORPORATIONS CODE Section 31000 et seq., and the California Franchise Relations Act, CAL. BUS. & PROF. CODE Section 20000 et seq. To the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. California Business and Professions Code Sections 20000 through 20043 provide rights to Franchisee concerning termination, transfer and nonrenewal of the Franchise Agreement. The Federal Bankruptcy Code also provides rights to Franchisee concerning termination of the Franchise Agreement upon certain bankruptcy-related events. To the extent the Franchise Agreement contains a provision that is inconsistent with these laws, these laws will control.
- b. The Franchise Agreement requires Franchisee to execute a release of claims in certain instances. Such release will exclude claims arising under the California Franchise Investment Law and the California Franchise Relations Act.
- c. The Franchise Agreement requires payment of liquidated damages that is inconsistent with California Civil Code Section 1671. Accordingly, the liquidated damage clause may be unenforceable.
- d. The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code Section 16600.
- e. Both the governing law and choice of law for Franchisees operating outlets located in California will be the California Franchise Investment Law and the California Franchise Relations Act regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the franchise agreement or amendment to or any agreement to the contrary is superseded by this condition.
- f. The Franchise Agreement requires an interest rate greater than 10% per annum (the highest amount allowed in California). Accordingly, such interest rate will be reduced to 10% per annum.
- g. Nothing in this or in any related agreement, however, is intended to disclaim the representations Franchisor made in the franchise disclosure document that Franchisor furnished to Franchisee.
- h. 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.

- i. Based upon our financial condition, the California Department of Financial Protection and Innovation has imposed a fee deferral requirement. Accordingly, you will not be required to pay the initial franchise fees due to us and/or our affiliates until we have completed all our pre-opening obligations to you and you begin operating your franchise business.

2. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Franchise Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that Franchisee has initiated.

IN WITNESS WHEREOF, Franchisee acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Franchise Agreement on the Effective Date set forth below.

FRANCHISOR

**Waterloo Turf Franchising Co, LLC,
a Texas limited liability company**

By: _____

Name: _____

Its: _____

Effective Date: _____

FRANCHISEE

By: _____

Name: _____

Its: _____

Date: _____

**AMENDMENT TO WATERLOO TURF BUSINESS
FRANCHISE AGREEMENT
FOR THE STATE OF HAWAII**

The Waterloo Turf Business Franchise Agreement between _____
("Franchisee" or "Franchisee") and Waterloo Turf Franchising Co, LLC ("Franchisor") dated
_____ (the "Franchise Agreement") will be amended by the addition of the following
language, which will be considered an integral part of the Franchise Agreement (the "Amendment"):

HAWAII LAW MODIFICATIONS

1. None

IN WITNESS WHEREOF, the parties hereto have signed this Agreement. Upon execution and
delivery of this Agreement by both parties the effective date shall be the date first above written.

FRANCHISOR

**Waterloo Turf Franchising Co, LLC,
a Texas limited liability company**

By: _____
Print Name: _____
Its: _____

Effective Date: _____

FRANCHISEE

By: _____
Print Name: _____
Its: _____

Date: _____

**AMENDMENT TO WATERLOO TURF BUSINESS
FRANCHISE AGREEMENT
FOR THE STATE OF ILLINOIS**

The Waterloo Turf Business Franchise Agreement between _____ (“Franchisee” or “Franchisee”) and Waterloo Turf Franchising Co, LLC (“Franchisor”) dated _____ (the “Franchise Agreement”) will be amended by the addition of the following language, which will be considered an integral part of the Franchise Agreement (the “Amendment”):

ILLINOIS LAW MODIFICATIONS

Illinois law governs the Franchise Agreement and Development Agreement.

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

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

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act **or any other law of Illinois** is void.

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 franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Payment of the Initial Franchise Fee, any Artificial Turf Maintenance Services fee, the Initial Training Fee, the Opening Support Fee and the Marketing Development Fee under the Franchise Agreement will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced business operations. The Illinois Attorney General’s Office imposed this deferral requirement due to Franchisor’s financial condition.

Each provision of this Amendment will be effective only to the extent that the jurisdictional requirements of the Illinois law applicable to the provision are met independent of this Amendment. This Amendment will have no force or effect if such jurisdictional requirements are not met.

[COMPLETED AND EXECUTED ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, Franchisee acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Franchise Agreement on the Effective Date set forth below.

FRANCHISOR

**Waterloo Turf Franchising Co, LLC,
a Texas limited liability company**

By: _____

Name: _____

Its: _____

Effective Date: _____

FRANCHISEE

By: _____

Name: _____

Its: _____

Date: _____

**AMENDMENT TO WATERLOO TURF BUSINESS
FRANCHISE AGREEMENT
FOR THE STATE OF MARYLAND**

The Waterloo Turf Business Franchise Agreement between _____ (“Franchisee” or “Franchisee”) and Waterloo Turf Franchising Co, LLC (“Franchisor”) dated _____ (the “Franchise Agreement”) will be amended by the addition of the following language, which will be considered an integral part of the Franchise Agreement (the “Amendment”):

MARYLAND LAW MODIFICATIONS

1. The Maryland Securities Division requires that certain provisions contained in franchise documents be amended to be consistent with Maryland law, including the Maryland Franchise Registration and Disclosure Law, MD. BUS. REG. CODE ANN. § 14-201 et. seq. (2015 Repl. Vol.). To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. Franchisee is required in this Agreement to execute a release of claims and/or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act. Such release will exclude claims arising under the Maryland Franchise Registration and Disclosure Law, and such acknowledgments will be void with respect to claims under the Law.
- b. This Agreement requires litigation to be conducted in a forum other than the State of Maryland. The requirement will not be interpreted to limit any rights Franchisee may have under Sec. 14-216 (c)(25) of the Maryland Franchise Registration and Disclosure Law to bring suit in the state of Maryland.
- b. The general release required as a condition of renewal, sale, and/or assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
- c. This Agreement is hereby amended to reflect that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
- d. Section 14-226 of the Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a prospective franchisee to assent to any release, estoppel or waiver of liability as a condition of purchasing a franchise. This Agreement requires prospective franchisees to disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Franchise Law. All representations in this Agreement requiring prospective franchisees to assent to any release, estoppel or waiver of liability are not intended to and will not act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law resulting from the offer or sale of the franchise.

2. No statement, questionnaire, or acknowledgment signed or agreed to by Franchisor 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. Each provision of this Amendment will be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, with respect to each such provision, are met independent of this Amendment. This Amendment will have no force or effect if such jurisdictional requirements are not met.

4. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Franchise Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that Franchisee has initiated.

IN WITNESS WHEREOF, Franchisee acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Franchise Agreement on the Effective Date set forth below.

FRANCHISOR

FRANCHISEE

**Waterloo Turf Franchising Co, LLC,
a Texas limited liability company**

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

Effective Date: _____

Date: _____

**AMENDMENT TO WATERLOO TURF BUSINESS
FRANCHISE AGREEMENT
FOR THE STATE OF MINNESOTA**

The Waterloo Turf Business Franchise Agreement between _____ (“Franchisee” or “Franchisee”) and Waterloo Turf Franchising Co, LLC (“Franchisor”) dated _____ (the “Franchise Agreement”) will be amended by the addition of the following language, which will be considered an integral part of the Franchise Agreement (the “Amendment”):

MINNESOTA LAW MODIFICATIONS

1. The Commissioner of Commerce for the State of Minnesota requires that certain provisions contained in franchise documents be amended to be consistent with Minnesota Franchise Act, Minn. Stat. Section 80.01 et seq., and of the Rules and Regulations promulgated under the Act (collectively the “Franchise Act”). To the extent that the Franchise Agreement and Franchise Disclosure Document contain provisions that are inconsistent with the following, such provisions are hereby amended:

a. The Minnesota Department of Commerce requires that Franchisor indemnify Minnesota Franchisees against liability to third parties resulting from claims by third parties that Franchisee’s use of the Proprietary Marks infringes trademark rights of the third party. Franchisor does not indemnify against the consequences of Franchisee’s use of the Proprietary Marks except in accordance with the requirements of the Franchise Agreement, and, as a condition to indemnification, Franchisee must provide notice to Franchisor of any such claim within 10 days after the earlier of (i) actual notice of the claim or (ii) receipt of written notice of the claim, and must therein tender the defense of the claim to Franchisor. If Franchisor accepts the tender of defense, Franchisor has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim. If the Franchise Agreement and/or the Franchise Disclosure Document contains a provision that is inconsistent with the Franchise Act, the provisions of the Franchise Agreement shall be superseded by the Act’s requirements and shall have no force or effect.

b. Franchise Act, Sec. 80C.14, Subd. 4., requires, except in certain specified cases, that Franchisee be given written notice of a Franchisor’s intention not to renew 180 days prior to expiration of the franchise and that Franchisee be given sufficient opportunity to operate the franchise in order to enable Franchisee the opportunity to recover the fair market value of the franchise as a going concern. If the Franchise Agreement and/or the Franchise Disclosure Document contains a provision that is inconsistent with the Franchise Act, the provisions of the Franchise Agreement shall be superseded by the Act’s requirements and shall have no force or effect.

c. Franchise Act, Sec. 80C.14, Subd. 3., requires, except in certain specified cases, that Franchisee be given 90 days’ notice of termination (with 60 days to cure). If the Franchise Agreement and/or the Franchise Disclosure Document contains a provision that is inconsistent with the Franchise Act, the provisions of the Franchise Agreement shall be superseded by the Act’s requirements and shall have no force or effect.

d. If the Franchise Agreement and/or the Franchise Disclosure Document requires Franchisee to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Franchise Act, such release shall exclude claims arising under the Franchise Act, and such acknowledgments shall be void with respect to claims under the Act.

e. If the Franchise Agreement and/or the Franchise Disclosure Document requires that it be governed by a state’s law, other than the State of Minnesota, those provisions shall not in any way abrogate or reduce any rights of Franchisee as provided for in the Franchise Act, including the right to submit matters to the jurisdiction of the courts of Minnesota.

f. If the Franchise Agreement and/or the Franchise Disclosure Document requires Franchisee to sue Franchisor outside the State of Minnesota, those provisions shall not in any way abrogate or reduce any rights of Franchisee as provided for in the Franchise Act, including the right to submit matters to the jurisdiction of the courts of Minnesota.

g. Minn. Rule 2860.4400J. prohibits Franchisor from requiring Franchisee to consent to liquidated damages and prohibits waiver of a jury trial. If the Franchise Agreement and/or the Franchise Disclosure Document contains a provision that is inconsistent with the Minn. Rule, the provisions of the Franchise Agreement and/or the Franchise Disclosure Document shall be superseded by the Minn. Rule's requirements and shall have no force or effect.

h. Franchisee cannot consent to the Franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rule 2860.4400J. A court will determine if a bond is required.

i. The Limitations on Actions section must comply with Minnesota Statutes, Section 80C.15, Subd. 5.

j. The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

k. NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.

2. No statement, questionnaire, or acknowledgment signed or agreed to by Franchisor 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. Each provision of this Agreement and/or the Franchise Disclosure Document will be effective only to the extent that the jurisdictional requirements of the Minnesota law applicable to the provision are met independent of this Amendment. This Amendment will have no force or effect if such jurisdictional requirements are not met.

4. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Franchise Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that Franchisee has initiated.

IN WITNESS WHEREOF, Franchisee acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Franchise Agreement on the Effective Date set forth below.

FRANCHISOR

FRANCHISEE

**Waterloo Turf Franchising Co, LLC,
a Texas limited liability company**

By: _____

By: _____

Name: _____
Its: _____
Effective Date: _____

Name: _____
Its: _____
Date: _____

**AMENDMENT TO WATERLOO TURF BUSINESS
FRANCHISE AGREEMENT
FOR THE STATE OF NEW YORK**

The Waterloo Turf Business Franchise Agreement between _____ (“Franchisee” or “Franchisee”) and Waterloo Turf Franchising Co, LLC (“Franchisor”) dated _____ (the “Franchise Agreement”) will be amended by the addition of the following language, which will be considered an integral part of the Franchise Agreement (the “Amendment”):

NEW YORK LAW MODIFICATIONS

1. The New York Department of Law requires that certain provisions contained in franchise documents be amended to be consistent with New York law, including the General Business Law, Article 33, Sections 680 through 695 (1989). To the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. If Franchisee is required in the Franchise Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the General Business Law, regulation, rule or order under the Law, such release will exclude claims arising under the New York General Business Law, Article 33, Section 680 through 695 and the regulations promulgated thereunder, and such acknowledgments will be void. It is the intent of this provision that non-waiver provisions of Sections 687.4 and 687.5 of the General Business Law be satisfied.
- b. If the Franchise Agreement requires that it be governed by a state’s law, other than the State of New York, the choice of law provision will not be considered to waive any rights conferred upon Franchisee under the New York General Business Law, Article 33, Sections 680 through 695.
- c. Notwithstanding any rights Franchisee may have in the Franchise Agreement permitting Franchisee to terminate the Franchise Agreement, Franchisee may also have additional rights to terminate the Franchise Agreement on any grounds available by law.
- d. With respect to any transfer or assignment by Franchisor, no assignment will be made except to an assignee who, in good faith and judgment of Franchisor, is willing and financially able to assume Franchisor’s obligations under the Franchise Agreement.

2. No statement, questionnaire, or acknowledgment signed or agreed to by Franchisor 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. Each provision of this Amendment will be effective only to the extent that the jurisdictional requirements of the New York General Business Law, with respect to each such provision, are met independent of this Amendment. This Amendment will have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, Franchisee acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Franchise Agreement on the Effective Date set forth below.

FRANCHISOR

Waterloo Turf Franchising Co, LLC,
a Texas limited liability company

By: _____

Name: _____

Its: _____

Effective Date: _____

FRANCHISEE

By: _____

Name: _____

Its: _____

Date: _____

**AMENDMENT TO WATERLOO TURF BUSINESS
FRANCHISE AGREEMENT
FOR THE STATE OF RHODE ISLAND**

The Waterloo Turf Business Franchise Agreement between _____ (“Franchisee” or “Franchisee”) and Waterloo Turf Franchising Co, LLC (“Franchisor”) dated _____ (the “Franchise Agreement”) will be amended by the addition of the following language, which will be considered an integral part of the Franchise Agreement (the “Amendment”):

RHODE ISLAND LAW MODIFICATIONS

1. The Rhode Island Securities Division requires that certain provisions contained in franchise documents be amended to be consistent with Rhode Island law, including the Franchise Investment Act, R.I. Gen. Law. ch. 395 Sec. 19-28.1-1 -19-28.1-34. To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. If this Agreement requires litigation to be conducted in a forum other than the State of Rhode Island, the requirement is void under Rhode Island Franchise Investment Act Sec. 19-28.1-14.
- b. If this Agreement requires that it be governed by a state’s law, other than the State of Rhode Island, to the extent that such law conflicts with Rhode Island Franchise Investment Act it is void under Sec. 19-28.1-14.
- c. If Franchisee is required in this Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act, such release will exclude claims arising under the Rhode Island Franchise Investment Act, and such acknowledgments will be void with respect to claims under the Act.

2. No statement, questionnaire, or acknowledgment signed or agreed to by Franchisor 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. Each provision of this Amendment will be effective only to the extent that the jurisdictional requirements of the Rhode Island Franchise Investment Act, with respect to each such provision, are met independent of this Amendment. This Amendment will have no force or effect if such jurisdictional requirements are not met.

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

IN WITNESS WHEREOF, Franchisee acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Franchise Agreement on the Effective Date set forth below.

FRANCHISOR

**Waterloo Turf Franchising Co, LLC,
a Texas limited liability company**

By: _____

Name: _____

Its: _____

Effective Date: _____

FRANCHISEE

By: _____

Name: _____

Its: _____

Date: _____

**AMENDMENT TO WATERLOO TURF BUSINESS
FRANCHISE AGREEMENT
FOR THE STATE OF VIRGINIA**

The Waterloo Turf Business Franchise Agreement between _____ (“Franchisee” or “You”) and Waterloo Turf Franchising Co, LLC (“Franchisor”) dated _____ (the “Franchise Agreement”) will be amended by the addition of the following language, which will be considered an integral part of the Franchise Agreement (the “Amendment”):

VIRGINIA LAW MODIFICATIONS

1. The Virginia State Corporation Commission, Division of Securities and Retail Franchising requires that certain provisions contained in franchise documents be amended to be consistent with Virginia law. To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial development fees due to us and/or our affiliates until we have completed all our pre-opening obligations to you and you begin operating your first franchise business.

Under subsection D of § 13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.

Under subdivision A 4 of § 13.1-563 of the Virginia Retail Franchising Act (“Act”), it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of § 13.1-563 of the Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale.

2. No statement, questionnaire, or acknowledgment signed or agreed to by Franchisor 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. Each provision of this Amendment will be effective only to the extent that the jurisdictional requirements of the Virginia law applicable to the provision are met independent of this Amendment. This Amendment will have no force or effect if such jurisdictional requirements are not met.

4. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Franchise Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that Franchisee has initiated.

IN WITNESS WHEREOF, Franchisee acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Franchise Agreement on the Effective Date set forth below.

FRANCHISOR

FRANCHISEE

Waterloo Turf Franchising Co, LLC,
a Texas limited liability company

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

Effective Date: _____

Date: _____

Washington Addendum to the Franchisee Agreement and All Related Agreements

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

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.
8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.
9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and

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

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to an negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).
11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.
13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.
14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.
15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.
16. **Questionnaires and Acknowledgments.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).
18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment

Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

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

The undersigned parties do hereby acknowledge receipt of this Addendum.

Dated this _____ day of _____ 20_____.

FRANCHISOR

**Waterloo Turf Franchising Co, LLC,
a Texas limited liability company**

By: _____

Name: _____

Its: _____

Effective Date: _____

FRANCHISEE

By: _____

Name: _____

Its: _____

Date: _____

EXHIBIT C
DEVELOPMENT AGREEMENT



**WATERLOO TURF BUSINESS
DEVELOPMENT AGREEMENT**

[INSERT DESCRIPTION OF DEVELOPMENT AREA]

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Exhibits:

- A. Personal Guaranty and Principals' Undertaking
- B. Confidentiality Agreement [and Covenant Not to Compete]
- C. Waterloo Turf Franchise Agreement
- D. Map of the Development Area

State Addenda to Development Agreement

SUMMARY PAGES

Effective Date: _____

Developer: _____

Developer's Corporate Address: _____

Phone Number: _____ Email Address: _____

Controlling Principal: _____

Development Area: _____,
as further reflected on the map attached as Exhibit D (if deemed necessary by Franchisor).

Development Area Rights Fee: \$_____ (calculated based on \$59,000 for the first Waterloo Turf Business, \$49,000 for the second Waterloo Turf Business, \$44,000 for the third Waterloo Turf Business and \$39,000 for the fourth and each additional Waterloo Turf Business to be developed pursuant to this Agreement), but subject to full credits to Initial Franchise Fees paid under Franchise Agreements executed pursuant to this Agreement.

Initial Franchise Fee: \$59,000 for the first Waterloo Turf Business, \$49,000 for the second Waterloo Turf Business, \$44,000 for the third Waterloo Turf Business and \$39,000 for the fourth and each additional Waterloo Turf Business developed pursuant to this Agreement, in all cases payable in full upon execution of the Franchise Agreement, but subject to full credits based on actual payment of the Development Area Rights Fee under this Agreement.

Extension Fee: \$2,500 per 75-day extension

Development Schedule:

WATERLOO TURF BUSINESS NUMBER	FRANCHISE AGREEMENT EXECUTION DATE	APPROVED EQUIPMENT AND SUPPLIES ACQUISITION DATE	REQUIRED OPENING DATE	REQUIRED NUMBER OF OPERATING WATERLOO TURF BUSINESSES
1	Effective Date	45 days from Franchise Execution Date		1
2	90 days before Required Opening Date	45 days from Franchise Execution Date		2
3	90 days before Required Opening Date	45 days from Franchise Execution Date		3
4	90 days before Required Opening Date	45 days from Franchise Execution Date		4

WATERLOO TURF BUSINESS NUMBER	FRANCHISE AGREEMENT EXECUTION DATE	APPROVED EQUIPMENT AND SUPPLIES ACQUISITION DATE	REQUIRED OPENING DATE	REQUIRED NUMBER OF OPERATING WATERLOO TURF BUSINESSES
5	90 days before Required Opening Date	45 days from Franchise Execution Date		5

Term: From the Effective Date of this Agreement until the earlier of (i) the Expiration Date for the last Waterloo Turf Business that Developer is required to open as indicated in the Summary Pages, or (ii) the first date on which every Waterloo Turf Business required to be opened by Developer per the above Development Schedule is Open and in Operation, unless this Agreement is earlier terminated in accordance with the terms hereof.

Transfer Fee: An amount equal to the sum of \$10,000 multiplied by the number of remaining Waterloo Turf Businesses to be opened under this Agreement plus the actual amount of any third-party broker or referral fees and costs (if any).

Addresses for Notices:

Franchisor: Waterloo Turf Franchising Co, LLC
11701 Bee Caves Road, Suite 180
Austin, Texas 78734
Email: tim@waterlooturf.com

Developer: Developer's Corporate Address shown above.

Ownership Information and Principals:

The following is a list of all members, stockholders, partners or other investors who have a direct or indirect ownership interest in Developer along with their respective percentage ownership and a description of their office/title/status:

<u>Name</u>	<u>Percentage of Ownership</u>	<u>Office/Title/Status</u>
1.		
2.		
3.		

The following is a list of Developer's "Principals" described in and designated pursuant to the Development Agreement, each of whom will execute the Personal Guaranty and Principals' Undertaking form set forth in Exhibit A, as may be designated by Franchisor. All other Principals will execute the Confidentiality Agreement [and Covenant Not to Compete] form set forth in Exhibit B.

<u>Name</u>	<u>Address</u>

1.	
2.	
3.	
4.	
5.	
6.	

Delivery Date of Disclosure Document: _____, 202____.

WATERLOO TURF BUSINESS DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (as supplemented, amended or otherwise modified from time to time, this “Agreement”) is entered into by and between Franchisor and Developer and is effective as of the Effective Date.

1. Recitals. Franchisor and its affiliates have, through the expenditure of time, skill, effort and money, developed the System for the establishment and operation of Waterloo Turf Businesses that offer and sell Approved Products and Services using Approved Equipment and Supplies. Developer wishes to obtain the right, and Franchisor is willing to grant Developer the right, to develop multiple Waterloo Turf Businesses within the Development Area. The parties have entered into this Agreement to evidence the terms and conditions of their relationship.

2. Definitions. The following terms are used in this Agreement with the meanings assigned below:

“Action” means a suit, proceeding, claim, demand, investigation, or inquiry, whether formal or informal.

“Adverse Change of Law” means the adoption, promulgation, modification or reinterpretation after the Effective Date by any Governmental Authority in the United States (as to Franchisor) or the state or local jurisdiction in which the Waterloo Turf Businesses will be located (as to Developer), of any Applicable Laws which action materially and adversely affects Franchisor’s or Developer’s ability to enjoy the economic benefits of this Agreement) or to enforce its rights hereunder or thereunder, including the ability to manufacture, distribute, purchase, lease, use, advertise, offer or sell any proprietary Approved Equipment and Supplies or Approved Products and Services. An Adverse Change of Law does not constitute an Event of Force Majeure.

“Affiliate” means a Person that controls, is controlled by or is under common control with another Person, either by virtue of equity ownership, by contract or by other means.

“Applicable Laws” means any and all applicable provisions of any (a) constitution, treaties, statutes, laws (including the common law), codes, rules, regulations, ordinances or orders of any Governmental Authority, (b) approvals from any Governmental Authority and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Governmental Authority.

“Approved Equipment and Supplies” means all approved or permitted Vehicles, equipment (including Technology and Information Systems), signage, trade dress, paper products and other disposables, and any other related supplies and items that are used in developing and operating Waterloo Turf Businesses generally, but are not offered or sold to Customers of the Waterloo Turf Businesses. The Approved Equipment and Supplies may include items that are either branded with the Marks or developed, produced, created or manufactured using Franchisor’s or its Affiliates’ proprietary creations, Trade Secrets or other Confidential Information, and designated as proprietary by Franchisor from time to time in the Brand Standards Manual.

“Approved Equipment and Supplies Acquisition Date” means the date that Developer must acquire by purchase or lease the Approved Equipment and Supplies for each Waterloo Turf Business described in the Development Schedule set forth in the Summary Pages, which date will be designed by Franchisor in its sole discretion and which will generally be within 45 days of the execution of the Franchise Agreement for the Waterloo Turf Business.

“Approved Products and Services” means all approved or permitted products and services offered and sold to Customers of Waterloo Turf Businesses generally, including specifically comprehensive residential and commercial artificial turf and surface products and related installation, landscaping and certain maintenance services, together with all Approved Products and Services, except where references to Approved Products and Services specifically exclude Approved Products and Services. Approved Products and Services may include items that are either branded with the Marks or developed, produced, created or manufactured using Franchisor’s or its Affiliates’ proprietary creations, Trade Secrets or other Confidential Information, and designated as proprietary by Franchisor from time to time in the Brand Standards Manual.

“Brand Standards” means the mandatory and suggested specifications, standards, operating procedures and rules that Franchisor prescribes from time to time for the development and operation of a Waterloo Turf Business and any other information Franchisor provides to Developer during the Term relating to Developer’s development and operation of the Waterloo Turf Business or to any other of Developer’s obligations under this Agreement and related agreements, whether or not provided in writing in the Brands Standards Manual.

“Brand Standards Manual” means and collectively includes all manuals, policy statements, directives, bulletins and memoranda that contain prescribed or recommended standards, procedures, policies and advice (i.e., the Brand Standards) relating to a Waterloo Turf Business’s development and operation, and the Approved Equipment and Supplies used in, and the Approved Products and Services offered and sold by, Waterloo Turf Businesses. The Brand Standards Manual discloses certain elements of Franchisor’s proprietary System, and its contents are and will remain Franchisor’s Trade Secrets and exclusive property.

“Business Entity” means a corporation, a general or limited partnership, a limited liability corporation or any other type of business entity.

“Charter Documents” means a corporation’s articles of incorporation, by-laws and shareholders agreement (if any); a partnership’s partnership agreement and, in the case of a limited partnership, its articles of limited partnership; a limited liability company’s articles of association and regulations or operating agreement; and comparable governing documents of any other type of Business Entity.

“Competing Business” means any residential or commercial artificial turf business whose primary focus is performing, offering and/or selling products and services similar to the Approved Products and Services to third parties through any means of distribution.

“Confidential Information” means the proprietary and confidential information relating to the development and operation of the Waterloo Turf Businesses, which Franchisor owns or is licensed to use and license third parties to use, including:

1. Technology and Information Systems prescribed for use in a Waterloo Turf Business, including the Waterloo Turf Business Operating System (if applicable);
2. Identity of suppliers and knowledge of Brand Standards for and suppliers of Approved Equipment and Supplies and Approved Products and Services;
3. The Brand Standards, the Brand Standards Manual, any other proprietary materials and knowledge, know-how or experience used or obtained in developing and operating a Waterloo Turf Business;

4. Sales, marketing and advertising programs and techniques for a Waterloo Turf Business;
5. Knowledge of operating results and financial performance of a Waterloo Turf Business, other than Developer's Waterloo Turf Businesses;
6. Training policies and procedures;
7. Franchisor's culture and all initial and refresher training programs;
8. Site selection criteria, general contractor and architect criteria and Trade Dress for Waterloo Turf Businesses, and plans and specification for the development of the Waterloo Turf Businesses;
9. Customer Information and other information (including earnings information) regarding Franchisor's personnel and Customers and those of other franchisees and licensees of Franchisor;
10. Developer recruiting methods and procedures, and selection criteria;
11. Business performance measurement systems;
12. Business planning process and procedures used by Franchisor and Developer related to the development of one or more Waterloo Turf Businesses; and
13. All other information that Franchisor provides Developer and designates proprietary or confidential, including information provided to Developer through the Waterloo Turf Business Intranet.

"Confidentiality Agreement [and Covenant Not to Compete]" means the Confidentiality Agreement [and Covenant Not to Compete] form attached to this Agreement as Exhibit B.

"Control or Controlling Interest" means the possession, directly or indirectly, of the power to direct or cause the direction, of the management and policies of an entity, whether through ownership of voting securities, by contract or otherwise.

"Controlling Principal" means one of the Principals who is appointed by Developer, who meets Developer's requirements and who is approved by Franchisor, and who will supervise and manage all aspects of Developer's business on a full-time, best efforts basis and with whom Franchisor and its staff may deal exclusively for purposes of administering and coordinating the relationship created by this Agreement. Developer's first Controlling Principal is identified on the Summary Pages.

"Copyrighted Materials" refers to and includes all versions, variations and adaptations of the following materials in tangible form, either produced by Franchisor, produced on its behalf as works for hire, or derived from works produced by or on behalf of Franchisor: (i) all brand standards and manuals used in a Waterloo Turf Business's development, operation and marketing activities, including but not limited to the Brand Standards Manual, (ii) all initial training and other training materials (including printed, audio, video or electronic materials), (iii) Waterloo Turf Business plans and specifications, (iv) designs and graphics, (v) product and service identification posters, photographs and graphics, (vi) advertising and marketing materials, (vii) labels, forms and reports provided by Franchisor, (viii) any proprietary computer software developed for use in the operation or management of a Waterloo Turf Business, including but not limited to the Waterloo Turf Business Operating System (if applicable), (ix) all Trade Dress and Trade

Dress elements for Approved Equipment and Supplies and Approved Products and Services for the Waterloo Turf Business, and (x) any other materials protected by copyright law or marked or identified by Franchisor as protected by copyright.

“Crisis Management Event” means any event that occurs at or otherwise involves a Waterloo Turf Business premises, or that occurs generally at a local, regional, national or even global scale, which has or may cause harm or injury to Customers or employees, such as contagious diseases, natural disasters, terrorist acts, shootings or other acts of violence, or any other similar circumstance which may materially and adversely affect the System or the goodwill symbolized by the Marks.

“Cumulative Number of Required Open and Operating Waterloo Turf Businesses” means the number of the Waterloo Turf Businesses required to be Open and Operating as described in the Development Schedule set forth in the Summary Pages.

“Customer” means a customer of the Waterloo Turf Business, and includes National Customers.

“Customer Information” means any information that: (i) can be used (alone or when used in combination with other information within Developer’s control) to identify, locate or contact an individual; or (ii) pertains in any way to an identified or identifiable individual. Customer Information can be in any media or format, including computerized or electronic records as well as paper-based files.

“Developer” means the developer identified on the Summary Pages.

“Developer’s Corporate Address” means the developer’s address identified on the Summary Pages.

“Development Area Rights Fee” means the Development Area Rights Fee identified on the Summary Pages paid in connection with the initial and continuing reservation of rights to the Development Area set forth in this Agreement.

“Development Schedule” means the schedule pursuant to which the Developer must establish Waterloo Turf Businesses as set forth in the Summary Pages to this Agreement.

“Dispute” means any claim, controversy or dispute that arises under, or in relation to, this Agreement or concerns the relationship created by this Agreement.

“Dollar” or “\$” means currency of the United States of America.

“Effective Date” means the date Franchisor signs the Agreement, as indicated on the Summary Pages and/or in its signature block.

“Event of Force Majeure” means acts of God, strikes, war, riot, epidemic, pandemic, fire or other natural catastrophe, terrorist acts or government actions resulting from terrorist acts, or other similar extraordinary or unnatural forces beyond Developer’s or Franchisor’s control which, as applicable, materially and adversely affect Developer’s ability to comply with the Development Schedule or which effect Franchisor’s ability to perform its obligations under this Agreement.

“Event of Default” means any breach of this Agreement, including, without limitation, those breaches listed in this Agreement.

“Extension Fee” means a fee payable to Franchisor in connection with a request for an extension of the time period to comply with the Development Schedule with respect to a specific Waterloo Turf Business required to be developed pursuant to this Agreement.

“Franchise” means the right to develop Waterloo Turf Businesses pursuant to this Agreement and/or the right to develop and operate a specific Waterloo Turf Business within a defined Territory, as more fully described in the Waterloo Turf Franchise Agreement.

“Franchise Agreement Execution Date” means the dates by which applicable Waterloo Turf Franchise Agreements must be signed by Developer or its affiliate as specified in the Development Schedule set forth in the Summary Pages.

“Franchisor” means Waterloo Turf Franchising Co, LLC, a Texas limited liability company, or its successors and assigns to this Agreement.

“Governmental Authority” means in any jurisdiction where Franchisor or Franchisee carry on business or holds assets, any nation or government, any province, state or any other political subdivision thereof; any entity, authority or body exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, including, without limitation, any government authority, agency, department, board, commission or instrumentality of the United States of America or any political subdivision thereof; any court, tribunal or arbitrator; and any self-regulatory organization.

“Indemnified Parties” means Franchisor, its Affiliates, and their respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors, attorneys, accountants, employees, successors and assigns.

“Initial Franchise Fee” means the initial franchise fee payable under each Waterloo Turf Franchise Agreement executed or to be executed pursuant to this Agreement.

“Losses and Expenses” means all compensatory, exemplary, incidental, consequential, or punitive damages (including lost profits); all fines, charges, costs, or expenses imposed by courts or other governmental authorities or by arbitrators; reasonable attorneys’ fees and all court or arbitration costs, settlement amounts, or judgments relating to litigation or arbitration; compensation for damages to Franchisor’s reputation and goodwill; costs of or resulting from Developer’s delays, costs of any necessary corrective advertising material and media time/space, and costs of changing, substituting, or replacing advertising; and all expenses of recall, refunds, compensation to third parties, public notices, and other similar amounts incurred in connection with the matters for which Losses and Expenses are to be paid.

“Marks” refers to and includes (i) the “Waterloo Turf” service mark and logo, (ii) the “Waterloo Turf” trade name, (iii) the elements and components of a Waterloo Turf Business’s Trade Dress, and (iv) any and all additional, different or replacement trade names, trademarks, service marks, logos and slogans that Franchisor adopts from time to time to identify the System, the Approved Equipment and Supplies and/or the Approved Products and Services offered by Waterloo Turf Businesses.

“Open and in Operation” means that Franchisor has approved the opening of Developer’s Waterloo Turf Business and Developer’s Waterloo Turf Business is open to and servicing Customers.

“Ownership Interest” means any direct or indirect, legal or beneficial ownership interest of any type, including but not limited to (a) in relation to a corporation, the ownership of shares in the corporation; (b) in relation to a partnership, the ownership of a general partner or limited partnership interest; (c) in

relation to a limited liability corporation, the ownership of a membership interest; or (d) in relation to a trust, the ownership of the beneficial interest of such trust.

“Permanent Disability” means any physical, emotional or mental injury, illness or incapacity that would prevent an individual from performing the obligations set forth in this Agreement for at least 90 consecutive days, and from which condition recovery within 90 days from the date of determination of disability is unlikely. If the parties disagree as to whether an individual is permanently disabled, the existence of permanent disability will be determined by a licensed practicing physician selected by Franchisor, upon examination of the individual; or if the individual refuses to submit to an examination or provide the results of the examination to Franchisor in a manner reasonably satisfactory to Franchisor, then the individual automatically will be considered permanently disabled as of the date of refusal. The costs of any such examination will be paid by Franchisor.

“Person” means an individual or a Business Entity.

Personal Guaranty and Principals’ Undertaking means the Personal Guaranty and Principals’ Undertaking attached to this Agreement at Exhibit A.

“Principal” means collectively or individually, all officers and directors of Developer or any Affiliate of Developer and Persons holding a direct or indirect interest in Developer or in any Affiliate of Developer, in this Agreement or any interest in or right under this Agreement as designated by Franchisor. The initial Principals are listed on the Summary Pages to this Agreement.

“Prospectus” means a statutory prospectus (preliminary or final), a private placement memorandum or any similar document that a company may use to convey information about Securities Offering.

“Securities Offering” means a public offering or private placement of any equity or debt securities or of any securities convertible into or exchangeable for equity securities by Developer or, if any of the proceeds of the offering are to be invested in or loaned to Developer, or if the Prospectus an Affiliate uses in connection with the offering mentions Franchisor or describes the relationship between Franchisor and Developer, by any Affiliate of Developer.

“Social Media” means any and all existing or future forms of electronic communication, whether for business or personal use (including via internet forums, weblogs, social blogs, wikis, podcasts, pictures and videos) through which users create or use online networks or communities (including but not limited through online communities such as Facebook, X (formerly Twitter), Instagram, SnapChat, LinkedIn, YouTube, Yelp or Wikipedia and other similar content sharing outlets) to share information, ideas, personal messages, and other online content.

“Summary Pages” means the pages that appear at the beginning of this Agreement that summarize certain key information concerning the parties’ relationship and the terms of this Agreement, and which are an integral part of this Agreement.

“System” means the development guidelines, opening guidelines, operational guidelines, initial and ongoing training programs, business methods, designs, arrangements and Brand Standards for developing, opening and operating Waterloo Turf Businesses, including those pertaining to Office/Storage Facility selection, Approved Equipment and Supplies (including Vehicles, Technology and Information Systems, equipment, supplies, signage and trade dress), Approved Products and Services and any other related products, services, supplies and items that are used, offered or sold in Waterloo Turf Businesses generally, methods of inventory control and requirements and policies regarding accounting and financial

performance and advertising and marketing program, all of which Franchisor may improve, further develop or otherwise modify from time to time.

“Trade Dress” means decorative, non-functional components of a Waterloo Turf Business premises that provide the establishment a distinctive, memorable appearance.

“Trade Secrets” means the components of the System, the contents of the Brand Standards and of all employee training materials and computer programs developed by Franchisor or in accordance with its Brand Standards, Confidential Information and any other confidential information that Franchisor imparts to Developer with respect to a Waterloo Turf Business’s operation or management, whether through the Brand Standards or otherwise.

“Transfer” means the voluntary, involuntary, direct or indirect sale, assignment, transfer, license, sublicense, sublease, collateral assignment, grant of a security, collateral or conditional interest, inter-vivos transfer, testamentary disposition or other disposition of (1) any Franchise, this Agreement or any interest in or right under this Agreement, or of all or substantially all of the assets of Developer’s Waterloo Turf Businesses or in an interest therein, including (a) any transfer in, or as a result of, a divorce, insolvency, dissolution proceeding or otherwise by operation of law; (b) any transfer upon Developer’s death or the death of any of the Principals by will, declaration of or transfer in trust or under the laws of intestate succession; or (b) any foreclosure upon Developer’s Waterloo Turf Businesses or the transfer, surrender or loss by Developer of possession, control or management of Developer’s Waterloo Turf Businesses or (2) of any direct or indirect Ownership Interest in Developer or the revenues or income of Developer’s Waterloo Turf Businesses, including (a) any transfer, redemption or issuance of a legal or beneficial Ownership Interest in Developer or any Business Entity that has an Ownership Interest in Developer or of any interest convertible to or exchangeable for a legal or beneficial Ownership Interest in Developer or any Business Entity that has an Ownership Interest in Developer; (b) any merger or consolidation between Developer or any Business Entity that has an Ownership Interest in Developer and another Business Entity, whether or not Developer is the surviving Business Entity; (c) any transfer in, or as a result of, a divorce, insolvency, dissolution proceeding or otherwise by operation of law; (d) any transfer upon Developer’s death or the death of any of the Principals by will, declaration of or transfer in trust or under the laws of intestate succession; or (3) any foreclosure upon Developer’s Waterloo Turf Businesses or the transfer, surrender or loss by Developer of possession, control or management of Developer’s Waterloo Turf Businesses. No Person (including any employee or independent contractor) may hold any Ownership Interest in Developer’s Waterloo Turf Businesses other than an undivided interest in the Franchise as a whole, and then only in compliance with the transfer restrictions in this Agreement.

“Transfer Fee” means the transfer fee identified on the Summary Pages.

“Vehicle” means an approved motor vehicle and trailer to be used in the Waterloo Turf Business. The Vehicle is part of the Approved Equipment and Supplies.

“Waterloo Turf Business” means a comprehensive residential and commercial artificial turf business that operates within an agreed territory on a year-round basis under the Marks and System and uses Approved Equipment and Supplies to offer and sell Approved Products and Services in accordance with the Brand Standards.

“Waterloo Turf Business Network” means all Franchisor-owned or affiliated and franchisee-owned Waterloo Turf Businesses in the United States.

“Waterloo Turf Franchise Agreement” means both Franchisor’s then current form of franchise agreement used to offer and sell the Franchise and each Waterloo Turf Franchise Agreement executed by Developer or its Affiliate in accordance with this Agreement.

“Waterloo Turf Website” means the internet website that Franchisor has created or may in the future create and maintain to (i) advertise and promote the Waterloo Turf Business Network generally, including the Approved Products and Services that members of the Waterloo Turf Business Network offer; (ii) to facilitate the sale of Franchises for a Waterloo Turf Business; and/or (iii) to offer and sell Approved Products and Services directly to Customers within or outside of the Development Territory.

3. Area Development Rights.

(a) Subject to the terms and conditions of this Agreement and in consideration of the payment of the Development Area Rights Fee that Developer pays to Franchisor in accordance with Section 7 of this Agreement, Franchisor grants to Developer the right, and Developer undertakes the obligation, to develop and have Open and in Operation in the Development Area the total number of the Waterloo Turf Businesses indicated in the Development Schedule.

(b) To obtain the Franchise for each Waterloo Turf Business described in the Development Schedule, Developer must satisfy the Conditions as set forth below and otherwise in this Agreement:

“Operational”: Developer and its Affiliates are in compliance with any existing Waterloo Turf Franchise Agreements, this Agreement and any other agreement between Developer or its Affiliates and Franchisor or its Affiliates. Developer is conducting the operation of its existing Waterloo Turf Businesses, if any, and is capable of conducting the operation of the proposed Waterloo Turf Business (a) in accordance with the terms and conditions of this Agreement, (b) in accordance with the provisions of the respective Waterloo Turf Franchise Agreements, and (c) in accordance with the Brand Standards as such Brand Standards Manual may be amended from time to time, or otherwise in writing.

“Financial”: Developer and the Principals satisfy Franchisor’s then-current financial criteria for developers and principals of the Waterloo Turf Businesses with respect to Developer’s operation of its existing Waterloo Turf Businesses, if any, and the proposed Waterloo Turf Business. No Event of Default relating to any monetary obligations owed to Franchisor or its Affiliates under this Agreement, any Waterloo Turf Franchise Agreement or other agreement between Developer or any of its Affiliates and Franchisor or any of its Affiliates either has (i) occurred and is continuing or (ii) occurred during the 12 months preceding Developer’s request for consent, whether or not such Event of Default was cured or curable.

“Legal”: Developer has submitted to Franchisor, in a timely manner, all information and documents requested by Franchisor prior to and as a basis for the issuance of individual Franchises or pursuant to any right granted to Developer by this Agreement or by any Waterloo Turf Franchise Agreement, and has taken such additional actions in connection therewith as may be requested by Franchisor from time to time. Developer and Principals have been and are faithfully performing all terms and conditions of this Agreement, each of the existing Waterloo Turf Franchise Agreements and any other agreement among Franchisor, Developer or any of their respective Affiliates.

(c) To retain the right to develop the total number of the Waterloo Turf Businesses indicated in the Development Schedule in the Development Area, Developer must comply with all terms and conditions of this Agreement, including the development procedures requirements of this Agreement for each Waterloo Turf Business.

(d) Subject to earlier termination in accordance with this Agreement, this Agreement and Developer's development rights will continue for the Term. After this Agreement and Developer's development rights terminate or expire, except as provided in any Waterloo Turf Franchise Agreement, Franchisor may grant franchises and development rights to other Persons and may operate its own Waterloo Turf Businesses in the Development Area.

4. Business Entity Requirements. If Developer is a Business Entity, the following requirements apply:

(a) Developer must be properly organized and in good standing under applicable law, and its Charter Documents must provide that Developer's purposes and activities are restricted exclusively to developing and operating Waterloo Turf Businesses.

(b) True, complete and duly authenticated copies of Developer's Charter Documents and of a resolution of Developer's board of directors, general partner or other managing body authorizing Developer to enter into and perform this Agreement must be furnished to Franchisor prior to the execution of this Agreement.

(c) Developer will maintain a list of all record and beneficial owners of Ownership Interests in Developer and will furnish a current version of the list to Franchisor between December 15th and 31st of each year and upon request.

(d) Developer will appoint one Principal who is approved by Franchisor to be the Controlling Principal. The Controlling Principal will be Developer's main contact with Franchisor regarding Developer's business. Unless otherwise approved in writing, the Controlling Principal will supervise and manage the development and operation of Waterloo Turf Businesses on a full-time, best efforts basis beginning when the Controlling Principal appears for Franchisor's initial training program, and will not engage in any other employment or activities that require material time commitments that would not enable the Controlling Principal to actively supervise and manage the development and operation of Waterloo Turf Businesses on a full-time, best efforts basis. If the initial or any successor Controlling Principal resigns or otherwise leaves Developer's employment, Developer will notify Franchisor within 5 days and appoint a suitably qualified replacement Controlling Principal within a reasonable time which will in no case exceed 30 days from the date of departure of such prior Controlling Principal.

5. Waterloo Turf Business Development Procedures.

(a) Developer must have Open and in Operation in the Development Area in accordance with and pursuant to fully executed Waterloo Turf Business Franchise Agreements, the cumulative number of Waterloo Turf Businesses set forth in the Development Schedule by the corresponding dates set forth therein. Developer will execute a Waterloo Turf Business Franchise Agreement for the first Waterloo Turf Business described in the Development Schedule Contemporaneous with the execution of this Agreement. With respect to each additional Waterloo Turf Business, Developer will notify Franchisor in writing between 45 and 60 days before the next applicable Waterloo Turf Business Franchise Agreement Execution Date that Developer is ready to execute a Waterloo Turf Business Franchise Agreement, and will provide to Franchisor such information and documentation that Franchisor deems necessary to timely prepare a Waterloo Turf Business Franchise Agreement for the Waterloo Turf Business. Developer will execute Franchisor's then-current form of Waterloo Turf Business franchise agreement not later than the applicable Waterloo Turf Business Franchise Agreement Execution Date described in the Development Schedule. Developer agrees and acknowledges that Franchisor's then-current form of Waterloo Turf Business franchise agreement may differ materially from its current form of Waterloo Turf Business franchise agreement, including, without limitation, additional and increased fees. Developer further agrees and

acknowledges that Developer is solely responsible for notifying Franchisor of its desire to execute a Waterloo Turf Business Franchise Agreement for a Waterloo Turf Business on a timely basis to enable Developer to comply with the Development Schedule. Franchisor will not be responsible for any delays in connection with the delivery of a Waterloo Turf Business Franchise Agreement to Developer before or after execution by the parties, or for any failure by Developer to comply with the Development Schedule as a result of any such delay.

(b) Notwithstanding the terms and conditions of each Waterloo Turf Business Franchise Agreement, Developer will purchase or lease the Approved Equipment and Supplies for each Waterloo Turf Business to be developed pursuant to this Agreement on or before the Approved Equipment and Supplies Acquisition Date contained in the Development Schedule, but in no event prior to the date the applicable Waterloo Turf Business Franchise Agreement is fully executed.

(c) Franchisor will provide the Controlling Principal and one other representative with one day of development training at Developer's request at Franchisor's headquarters in Austin, Texas to generally familiarize Developer with Franchisor's Waterloo Turf Business development and opening process. Developer will be solely responsible for the salaries of its Controlling Principal and other representative, and for all expenses of air and ground transportation, meals and lodging when attending development training.

(d) At such time that Developer or its Affiliates signs a Waterloo Turf Business Franchise Agreement for a third Waterloo Turf Business, Franchisor will have the right to require that Developer employ and retain a multi-unit supervisor who will be approved by Franchisor, who will successfully complete Franchisor's then current initial training and who will be charged with oversight of the Waterloo Turf Businesses. Franchisor reserves the right to require additional district managers or multi-unit supervisors to be employed and retained as additional Waterloo Turf Business Franchise Agreements in multiples of three are executed by Developer or its Affiliates.

(e) Franchisor and Developer are not joint employers of Developer's employees and other personnel. Franchisor does not and will not share or codetermine any of Developer's employees' essential terms and conditions of employment. More specifically, in no case does Franchisor have any authority to determine or set Developer's employees': (1) wages, benefits, and other compensation; (2) hours of work and scheduling; (3) the assignment of duties to be performed; (4) the supervision of the performance of duties; (5) work rules and directions governing the manner, means, and methods of the performance of duties and the grounds for discipline; (6) the tenure of employment, including hiring and discharge; and/or (7) working conditions related to the safety and health of employees. Developer alone has sole authority to determine any or all Developer's employees' essential terms and conditions of employment.

6. Waterloo Turf Business Development Extensions.

(a) If Developer is unable to adhere to the Development Schedule for a specific Waterloo Turf Business, Developer may apply for one (but only one) extension of such specified Approved Equipment and Supplies Acquisition Date and Required Opening. If the grounds for the extension is an Event of Force Majeure in each case as reasonably determined by the Franchisor in its sole determination, each extension will be for a period of not more than 90 days. If the grounds for the extension is any reason other than Force Majeure, any extension Franchisor may elect in its sole discretion to grant will be for a period of not more than 60 days. To obtain an extension, Developer must request it in writing not later than 15 days before the relevant expiration of such specified Approved Equipment and Supplies Acquisition Date and Required Opening. Franchisor will grant the extension if Developer has made a good faith effort to comply with the

development requirements of this Agreement, but has experienced delays beyond Developer's reasonable control and pays the Extension Fee described in the Summary Pages.

(b) An extension obtained under this Section will apply only to the specified Waterloo Turf Business and related Approved Equipment and Supplies Acquisition Date and Required Opening Date for which Developer obtained it; an extension will not delay or extend the Development Schedule for any other future Waterloo Turf Business and related Approved Equipment and Supplies Acquisition Date and Required Opening Date.

(c) Upon the occurrence of a Crisis Management Event, Developer must immediately inform Franchisor by telephone or electronic means, must cooperate fully with Franchisor with respect to Franchisor's response to the Crisis Management Event and must implement such remediation plan as may be instituted by Franchisor, which may include Franchisor requiring a temporary cessation of Developer's development of Waterloo Turf Businesses as part of the Crisis Management Event remediation plan.

7. Fees.

(a) When Developer signs this Agreement, Developer must pay Franchisor the Development Area Rights Fee set forth in the Summary Pages for the initial and continuing development rights. The Development Area Rights Fee is fully earned by Franchisor in consideration of the reservation of rights to the Development Area set forth in this Agreement and is not refundable.

(b) Developer will pay to Franchisor an Initial Franchise Fee for each Waterloo Turf Business in an amount specified in the Summary Pages. Contemporaneous with the execution of this Agreement, Developer will execute a Waterloo Turf Business Franchise Agreement for the first Waterloo Turf Business described in the Development Schedule, and will pay to Franchisor the Initial Franchise Fee described above.

8. Competitive Protection; Territorial Scope of Development Rights.

(a) So long as Developer, its Affiliates and its Principals are in full compliance with this Agreement and all other agreements between Developer, its Affiliates and its Principals and Franchisor and its Affiliates, Franchisor will not operate or authorize anyone except Developer to operate a Waterloo Turf Business that uses the System and the Marks to offer, sell and perform Approved Products and Services at a Customer's physical premises within the Development Area.

(b) Notwithstanding, Developer is not granted any rights under this Agreement to offer or sell any Approved Products or Services to any Customers; such rights only exist in each Territory granted under an active Franchise Agreement. If Developer receives an inquiry from a prospective Customer whose job site will occur outside of any Territory under a Franchise Agreement but inside the Development Area under this Agreement, Developer must refer the prospective Customer to Franchisor and Franchisor may provide the Customer lead to a company or affiliate-owned business or another franchisee nearer to the job site (if applicable), or allow one of Developer's open Waterloo Turf Businesses to offer, sell or perform Approved Products and Services for the Customer, based on our then current standards and any specific extra-territorial services policies Franchisor may implement from time to time.

(c) Franchisor and its Affiliates (and their respective successors and assigns, by purchase, merger, consolidation or otherwise) reserve all rights that this Agreement does not expressly grant to or confer upon Developer, including, without limitation:

(i) To operate and grant franchises to third parties to operate Waterloo Turf Businesses using the System and the Marks outside the Development Area;

(ii) To advertise and promote the System within and outside the Development Area;

(iii) To develop, establish and operate (directly or indirectly), and grant franchises to others to develop, establish and operate, (a) other business systems using the Marks, and (b) other business systems (including, without limitation, businesses offering and selling Approved Products and Services) using other names or marks, within and outside the Development Area and to spin off, sell, or otherwise dispose of all or any interest in such business systems;

(iv) To engage, directly or indirectly, in the manufacturing, production, distribution, operation, license and sale of Approved Products and Services and other similar services and related products using the System and/or the Marks, within and outside the Development Area through any other method of distribution, including, but not limited to, retail outlets, mail order catalogs, the Internet, telemarketing, other direct marketing, or any other channel of distribution, which includes the direct sale of Approved Products and Services to Customers within the Development Area through the Waterloo Turf Website or any successor internet website operated by Franchisor or its Affiliates;

(v) The right (i) to be acquired, in whole or in part, by any company, including any company that operates or offers franchises for businesses that offer products or services the same as or comparable to Approved Products and Services and that have locations or operate within or outside the Development Area under any trademark or trade name other than the Marks, and (ii) to acquire any such company, in whole or in part. In the event of any such acquisition by Franchisor or one of Franchisor's Affiliates in the Development Area, Franchisee agrees that Franchisor or such other entity may continue to operate (or authorize others to operate) the acquired company (and any and all of its locations) in the Territory under the acquired company's trademarks and trade names.

(d) If Developer transfers the franchise for any Waterloo Turf Business, Franchisor may enter into a Waterloo Turf Business franchise agreement with the transferee and may permit the transferee to operate the transferred Waterloo Turf Business inside the Territory associated with the transferred Waterloo Turf Business in accordance with the provisions of Franchisor's then current Waterloo Turf Business Franchise Agreement.

(e) Developer acknowledges and agrees that Franchisor has no express obligation or implied duty to insulate or protect Developer's revenues from erosion as the result of any Waterloo Turf Business's competition with other Waterloo Turf Businesses in the ways and to the extent this Section provides or contemplates. Developer expressly waives and relinquishes any right to assert any claim against Franchisor based on the existence, actual or arguable, of any such obligation or duty.

(f) If Developer is a Business Entity, Developer acknowledges and agrees that no individual, including the Principals and employees of Developer's Waterloo Turf Businesses, has, and no provision of this Agreement confers, any personal right to use the Marks at or from any location (whether within or outside of the Development Area) for any purpose. Developer agrees to immediately notify Franchisor if Developer becomes aware of such use of the Marks. Developer will take all reasonable actions required by Franchisor to eliminate such use of the Marks and will reimburse Franchisor for any expense incurred by Franchisor as a result of such use of the Marks.

9. Indemnification.

(a) Developer and the Principals, jointly and severally, will, at all times and to the fullest extent permitted by law, indemnify the Indemnified Parties from and defend them against all Losses and Expenses of any of the Indemnified Parties that arise out of or are based upon any of the following: (1) any violation or breach by Developer, or any of its Affiliates or Principals, of any warranty, representation, agreement or obligation in this Agreement or other agreement between Developer or its Affiliates and any of the Indemnified Parties, (2) any acts, errors, or omissions of Developer, its Affiliates, its Principals and their respective owners, officers, employees, agents and representatives, in connection with the performance of the development activities contemplated by this Agreement or the establishment and operation of the Waterloo Turf Businesses pursuant to this Agreement; (3) any and all encumbrances, liens, assessments, levies, charges, surcharges, demands for payment, taxes or any other liabilities imposed on Franchisor or on or as a result of any payment due to or paid to Franchisor under this Agreement, by any taxing authority or any political subdivision, instrumentality, agency or other body of any governmental or taxing authority; and (4) any actual or alleged claim that Franchisor and Developer are joint employers of any Developer employee or personnel.

(b) Developer and each of the Principals agrees to give Franchisor immediate notice of any Action subject to indemnification under this Section. At the expense and risk of Developer and each of the Principals, Franchisor may elect to control (but under no circumstance is obligated to undertake), and associate counsel of its own choosing with respect to, the defense and/or settlement of any such Action. Such an undertaking by Franchisor will, in no manner or form, diminish the obligation of Developer and each of the Principals to indemnify the Indemnified Parties and to hold them harmless.

(c) In order to protect persons or property or the reputation or goodwill of itself or others, Franchisor may, at any time and without notice, as it deems appropriate, consent or agree to settlements or take such other remedial or corrective action as it deems expedient with respect to the Action if, in Franchisor's judgment, there are grounds to believe that:

(i) Any of the acts or circumstances enumerated in this Section has occurred; or

(ii) Any act, error or omission as described in this Section may result directly or indirectly in damage, injury or harm to any Person or any property.

(d) All Losses and Expenses incurred under this Section will be chargeable to and paid by Developer or any of the Principals pursuant and subject to their respective obligations of indemnity under this Section, regardless of any action, activity, or defense undertaken by Franchisor or the subsequent success or failure of that action, activity, or defense.

(e) THE INDEMNIFIED PARTIES DO NOT ASSUME ANY LIABILITY WHATSOEVER FOR ACTS, ERRORS, OR OMISSIONS OF THOSE WITH WHOM DEVELOPER, ANY OF ITS AFFILIATES OR ANY OF THE PRINCIPALS, MAY CONTRACT. DEVELOPER AND EACH OF DEVELOPER'S PRINCIPALS THAT EXECUTES THE PERSONAL GUARANTY AND PRINCIPALS' UNDERTAKING (IF ANY) WILL HOLD HARMLESS AND INDEMNIFY THE INDEMNIFIED PARTIES FROM ALL LOSSES AND EXPENSES THAT MAY ARISE OUT OF ANY ACTS, ERRORS, OR OMISSIONS OF DEVELOPER, ITS AFFILIATES AND PRINCIPALS AND ANY SUCH THIRD PARTIES, WITHOUT LIMITATION AND WITHOUT REGARD TO THE CAUSE OR CAUSES OF THE ACTS, ERRORS OR OMISSIONS OR THE NEGLIGENCE (WHETHER THAT NEGLIGENCE IS SOLE, JOINT, OR CONCURRENT, AND WHETHER ACTIVE OR PASSIVE) OR STRICT LIABILITY OF ANY OF THE INDEMNIFIED PARTIES OR ANY OTHER PARTY OR PARTIES ARISING IN CONNECTION THEREWITH, IN CONNECTION WITH THE

ESTABLISHMENT AND OPERATION OF THE WATERLOO TURF BUSINESSES, INCLUDING, BUT NOT LIMITED TO, ANY ACTS, ERRORS OR OMISSIONS OF ANY OF THE FOREGOING IN THE OPERATION OF ANY MOTOR VEHICLE, IN THE ESTABLISHMENT OR IMPLEMENTATION OF SECURITY FOR THE WATERLOO TURF BUSINESSES, IN THE USE OF ANY INTERNET SITE OR INTRANET NETWORK DEVELOPED BY FRANCHISOR, ACTS OF ANY THIRD PARTIES, OR ACTS OR CLAIMS ARISING FROM THIS AGREEMENT.

10. Confidentiality; Covenant Against Competition.

(a) Developer and the Principals acknowledge that the System and the Trade Secrets belong exclusively to Franchisor and that, as between Franchisor, Developer and the Principals, the ideas and information in the Brand Standards are Franchisor's sole and exclusive property. Developer and the Principals further acknowledge that the unauthorized disclosure or use of any confidential element of the System, any Trade Secret or any other information the Brand Standards contains may adversely affect the business, competitive position and goodwill of Franchisor and its franchisees. Accordingly, Developer and the Principals will hold the elements of the System, the Trade Secrets and the contents of the Brand Standards in strict confidence, will not disclose any Trade Secret or any operating or management procedure to any Person other than the bona fide employees to whom such disclosure is necessary in relation to their job duties, and will instruct and routinely remind Developer's employees that the System, the Trade Secrets and the contents of the Brand Standards are confidential and may not be disclosed or appropriated. The obligations of Developer and the Principals relating to the System, any Trade Secret and any other information contained in the Brand Standards will survive the expiration or termination of this Agreement and will be perpetually binding upon Developer and the Principals.

(b) In consideration of Franchisor's granting development rights to Developer and disclosing to Developer the System and other Trade Secrets, Developer and the Principals covenant and agree that, during the Term, Developer and the Principals will not own, operate, or develop, directly or indirectly, or accept employment by or hold an Ownership Interest in any Competing Business, except as a Developer of Franchisor, which is located (i) at the Waterloo Turf Business Address of any Waterloo Turf Business developed pursuant to this Agreement; or (ii) within the Development Area, or (iii) within 25 miles of the perimeter of the Development Area, or (iv) within 25 miles of the perimeter of the "Development Area" or "Territory" of any other Waterloo Turf Business; or (v) within the "Development Area" of any other Waterloo Turf Business franchisee; (vi) within the United States of America; or (vii) within the world.

(c) In addition, Developer and the Principals covenant and agree that, for two years after the expiration or termination of the this Agreement (or for Principals, after such person ceases to be a Principal), Developer and the Principals will not own, operate, or develop, directly or indirectly, or accept employment by or hold an interest in any Competing Business except as a Franchisee of Franchisor, which is located (i) at the Waterloo Turf Business Address of any existing or former Waterloo Turf Business developed pursuant to this Agreement; or (ii) within the former Development Area, or (iii) within 25 miles of the perimeter of the former Development Area, or (iv) within 25 miles of the home or office premises of any other Waterloo Turf Business. For purposes of calculating the duration of the two-year period, any time during which Franchisee or the Principals (as applicable) are in violation or breach of the covenant will be excluded.

(d) Developer and the Principals acknowledge that Developer's and the Principals' covenant not to compete is reasonable and necessary to protect the business and goodwill of the Waterloo Turf Business Franchise Network and to avoid misappropriation or other unauthorized use of the System and Franchisor's other Trade Secrets. Developer and the Principals acknowledge and confirm that Developer and the Principals possess the education, training and experience necessary to earn a reasonable livelihood apart from operating or developing a Competing Business or other similar business.

(e) The parties agree that the foregoing covenants will be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Developer and the Principals expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section.

(f) Developer and the Principals understand and acknowledge that Franchisor will have the right to reduce the scope of any covenant set forth in this Section, or any portion thereof, without their consent, effective immediately upon notice to Developer; and Developer and the Principals agree that they will comply forthwith with any covenant as so modified, which will be fully enforceable in all cases.

(g) Developer and the Principals expressly agree that the existence of any claims that any of them may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section. Developer and the Principals agree to pay all costs and expenses (including reasonable attorneys' fees) incurred by Franchisor in connection with the enforcement of this Section against any of them.

(h) Developer and the Principals further acknowledge that a violation of the terms of this Section would result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and Developer and the Principals accordingly consent on their behalf to the issuance of an injunction prohibiting any conduct by any of them in violation of the terms of this Section.

(i) At Franchisor's request, Developer shall require and obtain execution of confidentiality and/or noncompetition covenants similar to those set forth in this Section (including covenants applicable upon termination of a Person's relationship with Developer) from each and every Principal and any other Person who has received or shall receive training or confidential information from Franchisor. The covenants required by this Section shall be substantially in the form contained in Exhibit B; provided that only Persons with an Ownership Interest in Developer will be required to agree to the noncompetition sections of Exhibit B. Failure by Developer to obtain execution of agreements containing the covenants required by this Section shall constitute an Event of Default under Section 12.

11. Terrorist and Money Laundering Activities. Developer and the Principals represent and warrant to Franchisor that neither Developer, nor any Principal, nor any of their respective Affiliates is identified, either by name or an alias, pseudonym or nickname, on the lists of "Specially Designated Nationals" or "Blocked Persons" maintained by the U.S. Treasury Department's Office of Foreign Assets Control. Further, Developer and the Principals represent and warrant that neither they nor any Principal or Affiliate referred to above has violated, and each of them agrees not to violate, any law prohibiting corrupt business practices, money laundering or the aid or support of Persons who conspire to commit acts of terror against any Person or government, including acts prohibited by the U.S. Patriot Act, U.S. Executive Order 13224, or any similar law. The foregoing constitute continuing representations and warranties, and Developer and the Principals will immediately notify Franchisor in writing of the occurrence of any event or the development of any circumstance that might render any of the foregoing representations and warranties false, inaccurate or misleading.

12. Default; Termination; Remedies. If Developer or any Principal:

(a) Purchases or signs a lease for any Office/Storage Facility or any Approved Equipment and Supplies without express written authorization from Franchisor or otherwise proceeds with development of

a Waterloo Turf Business before signing a Waterloo Turf Business Franchise Agreement or paying the Initial Franchise Fee for Developer's Waterloo Turf Business;

(b) Fails to timely purchase or lease the Approved Equipment and Supplies for any Waterloo Turf Business in compliance with this Agreement on or before its required Approved Equipment and Supplies Acquisition Date (taking into account any extension of that date that Developer obtains pursuant to this Agreement);

(c) Fails to open any Waterloo Turf Business in compliance with this Agreement on or before its Required Opening Date (taking into account any extension of that date that Developer obtains pursuant to this Agreement);

(d) Without Franchisor's express prior written permission, fails to have Open and Operating in the Development Area the cumulative total number of Waterloo Turf Businesses indicated in the "Required Number of Operating Waterloo Turf Businesses" column of the Development Schedule as of the Required Opening Date for any Waterloo Turf Business (taking into account any extension of a particular Waterloo Turf Businesses' Approved Equipment and Supplies Acquisition Date and/or Required Opening Date that Developer obtains pursuant to this Agreement);

(e) Allows any Waterloo Turf Business Franchise Agreement to be terminated for cause;

(f) Allows an Event of Default to occur under any Waterloo Turf Business Franchise Agreement that is not cured by the end of the related remedial period provided in the Waterloo Turf Business Franchise Agreement;

(g) Receives three or more default notices in any calendar year with respect to its operation of any of the Waterloo Turf Businesses developed pursuant to this Agreement, whether or not Franchisor terminates any Waterloo Turf Business Franchise Agreement for any Waterloo Turf Business on account of the default;

(h) Attempts to or effectuates a Transfer of any rights under this Agreement in contravention of this Agreement;

(i) Breaches the confidentiality or non-competition covenants in this Agreement;

(j) Breaches the anti-terrorist and money laundering covenant in this Agreement;

(k) Developer or any Principal has credibly been accused, charged or otherwise proven to have sexually harassed or intimidated any individual; has intentionally engaged in racial, ethnic, religious, sexual or other offensive discrimination against any individual or group; has knowingly engaged in any other activity or business practice that Franchisor reasonably considers materially detrimental to the reputation or public image of Franchisor or its Affiliates or their owners, directors, officers or employees, the Marks or the Waterloo Turf Business Network; or has knowingly engaged in conduct that is grossly unethical in relation to the culture and business values on which the Waterloo Turf Business Network is founded, whether or not the behavior or conduct constitutes a violation of federal, state or local law;

(l) Developer or any Principal is convicted of, or pleads guilty or no contest to (even if a final court order has not issued), a felony or a crime involving fraud, sexual harassment, battery, drug possession, moral turpitude or any other crime or offense, or is credibly accused, charged or otherwise proven to have committed any act (regardless of whether such act constitutes a crime) that in Franchisor's sole opinion is

reasonably likely to have an adverse effect on the System or the Marks, or the goodwill associated with the System or the Marks; or

(m) Is a Business Entity and fails to comply with the Business Entity requirements of this Agreement;

then Developer will be in default under this Agreement. If a default occurs then Franchisor may, in addition to all other rights and remedies that may be available, either (i) terminate or modify Developer's exclusive rights to develop Waterloo Turf Businesses in the Development Area; (ii) reduce the geographic scope of the Development Area or the remaining number of Waterloo Turf Businesses to be developed or (iii) terminate this Agreement and all of Developer's rights under this Agreement, in any of these cases by giving Developer written notice of Franchisor's election. Termination of this Agreement will not affect the status of any Waterloo Turf Business Franchise Agreement then in effect between Franchisor and Developer, unless Developer or its Affiliate is in default of such Waterloo Turf Business Franchise Agreement. All obligations of Developer and the Principals that expressly or by their nature survive the expiration, termination or transfer of this Agreement will continue in full force and effect subsequent to and notwithstanding the expiration, termination or transfer of this Agreement until such obligations are satisfied or by their terms expire; including but not limited to obligations regarding indemnification, confidentiality, non-competition, choice of law and dispute resolution.

Franchisor and Developer acknowledge that the franchise rights contemplated under this Agreement are granted on the assumption that there will be no Adverse Change of Law during the term of this Agreement. If, at any time during the term of this Agreement, there occurs an Adverse Change of Law, the parties agree to use their best efforts and to cooperate with each other in good faith to amend this Agreement either to bring it into conformity with the requirements of the Adverse Change of Law or to seek an alternative way to comply with the Adverse Change of Law which allows both parties to continue to enjoy the economic benefits of this Agreement. If, in Franchisor's or Developer's judgment, this Agreement cannot be modified to comply with the Adverse Change of Law without undermining material elements of the franchise relationship or the enjoyment of the economic benefits thereunder, Franchisor or Developer (as applicable) may, at its option, without liability for such action or any further obligation to the other, terminate this Agreement and the territorial rights granted hereby upon 60 days' written notice to Franchisor or Developer (as applicable); provided that Developer shall be required to comply with all post-termination obligations set forth in this Agreement as a continuing condition to any such termination.

13. Transfers.

(a) **Transfer by Franchisor.** Franchisor and its Ownership Interest holders may voluntarily, involuntarily, directly or indirectly sell, assign, transfer, license, sublicense, collaterally assign, grant a security, collateral or conditional interest, intervivos transfer, testamentary disposition or other disposition all or any part of its rights or obligations under this Agreement or any Ownership Interest in Franchisor to any Person without Developer's consent. Specifically, and without limitation to the foregoing, Franchisor may sell its assets, Marks or the System to a third party; may offer its securities privately or publicly; may merge, spin-off, acquire other Business Entities, or be acquired by another Business Entity; may undertake a refinancing, recapitalization, leveraged buyout, or other economic or financial restructuring; and with regard to any or all of the above sales, assignments, and dispositions, Developer expressly and specifically waives any claims, demands, or damages against Franchisor arising from or related to the transfer of the Marks (or any variation thereof) or the System from Franchisor to any other party. If Franchisor assigns its rights in this Agreement, such assignment will constitute a novation as to Franchisor and Franchisor will be released from all further liability to Developer under this Agreement after the effective date of such transfer, and the transferee will be liable to Developer as if it was the original party to this Agreement.

Nothing contained in this Agreement requires Franchisor to offer any services or products, whether or not bearing the Marks, to Developer if Franchisor assigns its rights in this Agreement.

(b) **Limitations on Developer Transfer.** Developer and the Principals acknowledge that the integrity of the Franchise and the stability of the Waterloo Turf Business Network depend on the business qualifications, financial capabilities, honesty and integrity of Franchisor's developers and franchisees. Developer and the Principals further acknowledge that Franchisor's lack of opportunity to evaluate and approve each potential developer's qualifications and the terms of each proposed Transfer could irreparably damage the System. Consequently, Developer and the Principals agree not to effectuate a Transfer, except as permitted by this Section, and in no event will Developer attempt to effectuate any Transfer without Franchisor's prior written consent. Any Transfer or attempted Transfer lacking Franchisor's prior written consent or that otherwise violates the restrictions in this Section will be null and void, will be wholly ineffective and will constitute a material default under this Agreement.

(c) **Conditions to Voluntary Transfer of Rights.** Neither Developer nor any Principal will effectuate a Transfer of Control over Developer before Developer has opened for business at least one-half of the Cumulative Number of Required Open and Operating Waterloo Turf Businesses to be developed under this Agreement. Any Transfer by Developer or any Principal will be subject to Franchisor's prior written consent, which may be conditioned on, among other things, any or all of the following conditions:

(i) At the time of Transfer, Developer, the Principals and their respective Affiliates are in full compliance with their respective obligations under this Agreement and all other agreements with Franchisor and its Affiliates, including payment of all monetary obligations due Franchisor and its Affiliates.

(ii) If the proposed Transfer involves the complete disposition of the Franchise, Developer relinquishes the Franchise and related rights under this Agreement in writing.

(iii) If the Transfer involves all the Waterloo Turf Businesses developed under this Agreement, Developer returns the Brand Standards Manual and all Copyrighted Materials to Franchisor, including the Brand Standards.

(iv) The transferee meets Franchisor's criteria for qualifying as a new Developer, including having no existing relationship with a Competing Business.

(v) Developer furnishes Franchisor a copy of the contract of sale, including price and payment terms, and Franchisor determines that the transferee will be able to satisfy any debt obligations to Developer and still derive a reasonable profit from Developer's Waterloo Turf Business's operation.

(vi) If a Transfer of Control over Developer is contemplated, the transferee executes then current forms of Development Agreement (which will limit the term of the transferee's Franchise to the unexpired Term of Developer's Franchise and which will supersede the terms of this Agreement) and other collateral agreements Franchisor may then require.

(vii) If the Transfer involves all the Waterloo Turf Businesses developed under this Agreement, the transferee upgrades Developer's Waterloo Turf Business to meet Franchisor's then-current Standards for new Waterloo Turf Businesses.

(viii) The transferee and its Affiliates provides Franchisor a waiver and release with respect to liability for any financial data, earnings claims, representations and other information Developer or its representatives provided the transferee.

(ix) Each new Principal designated by Franchisor executes the Personal Guaranty and Principals' Undertaking at Franchisor's request.

(x) The transferee and one or more of transferee's key management personnel satisfactorily complete Franchisor's training program.

(xi) Developer pays a Transfer Fee to Franchisor.

(xii) Developer, the Principals and Developer's transferees must provide to Franchisor an unconditional, general release of all claims any of them may have against Franchisor, its Affiliates, and their respective officers, directors, shareholders, partners and employees.

(d) Special Transfers.

(i) If Developer is an individual Person or multiple individual Persons, then such individual Person(s) may apply to Franchisor to transfer the Franchise and this Agreement to a Business Entity that is wholly-owned by such individual Person or multiple individual Persons and formed solely for the purpose of holding development rights for and/or operating Waterloo Turf Businesses, and Franchisor will waive payment of a Transfer Fee and its right of first refusal and consent to such transfer so long as Developer first provides Franchisor such documentation and information concerning the Business Entity and the resulting ownership of Developer as Franchisor may request, and the existing and new Developer and such Principals designated by Franchisor sign the new, current form of development agreement or an amendment to this Agreement, a transfer agreement and consent and/or Personal Guaranty and Principals' Undertaking, as deemed appropriate by Franchisor.

(ii) So long as the Controlling Principal will not change, Franchisor will consent to Transfers among Developer's original Principals and waive payment of a Transfer Fee and its right of first refusal upon its receipt of such documentation and information concerning such a Transfer and the resulting ownership of Developer as Franchisor may request. The required documentation will include, without limitation, a Personal Guaranty and Principals' Undertaking if the Principal who signed the original or prior Personal Guaranty and Principals' Undertaking is departing.

(iii) Neither Developer nor any of its Affiliates or Principals may engage in a Securities Offering without the prior written consent of Franchisor (whether or not Franchisor's consent is otherwise required under this Section with respect to such Transfer). Franchisor's consent may be withheld for any reason, and may be conditioned upon its verification that the Prospectus does state or imply (by use of the Marks or otherwise) that Franchisor is sponsoring or otherwise participating in the Securities Offering or that Franchisor will receive any part of the proceeds from the Securities Offering. To seek Franchisor's consent, Developer must submit a complete copy of the Prospectus to Franchisor prior to the time the Prospectus is filed with a government agency or official or, if an exempt Securities Offering is contemplated, prior to the delivery of the Prospectus to any prospective investor. Franchisor will have 30 days after its receipt of the Prospectus either to provide its consent, withhold its consent or advise Developer of the deficiencies that must be corrected prior to Franchisor's providing its consent. Franchisor will have no obligation to provide its consent, including unless and until all deficiencies it notes have been corrected. Any consent by Franchisor will not constitute an endorsement or ratification of the offering or the prospectus, either express or implied. Developer and the other participants in a Securities Offering will fully indemnify Franchisor in connection with the offering. For each proposed Securities Offering, Developer will reimburse Franchisor for its costs and expenses associated with reviewing the proposed offering, including, without limitation, legal and accounting fees and salaries of Franchisor's personnel; provided that Franchisor may request an advance on such costs and expenses before initiating its review.

(iv) Developer may grant a security interest in this Agreement or the Franchise to the limited extent permitted by Section 9-408 of the Uniform Commercial Code. Any such security interest may only attach to an interest in the proceeds of Developer's Waterloo Turf Business's operations and may not under any circumstances entitle or permit the secured party to take possession of or operate Developer's Waterloo Turf Business or to Transfer Developer's interest in the Franchise without Franchisor's express prior written consent. The grant of a security interest in a manner consistent with this Section will not be subject to the Transfer prohibitions in this Agreement.

(e) Right of First Refusal.

(i) If Developer or the Principal(s) wishes to effectuate a Transfer that will effect a direct or indirect change in Control of Developer, pursuant to any *bona fide* offer received from a third party to purchase that interest, then the proposed seller will promptly notify Franchisor in writing of the offer, and will provide any additional information and documentation relating to the offer that Franchisor requires. Franchisor will have the option, exercisable within 30 days after receipt of all written documentation requested by Franchisor describing the terms of the offer, to send written notice to the seller that Franchisor intends to purchase the seller's interest on the same terms and conditions offered by the third party.

(ii) If an offer from a third party provides for payment of consideration other than cash, Franchisor may elect to purchase the interest proposed to be sold for the cash equivalent. If the parties cannot agree within a reasonable time on the cash equivalent of the non-cash part of the offer, then the cash equivalent will be determined by an appraisal performed by two appraisers, with each party selecting one appraiser, and the average of their determinations constituting the binding valuation. In the event of an appraisal under this provision, each party will bear its own legal and other costs and will split the appraisal fees equally.

(iii) If Franchisor elects to purchase the seller's interest, closing on the purchase will occur no later than 60 days after the date Franchisor gives notice to the seller of the election to purchase, provided that Franchisor has received all necessary permits and approvals, or on such other date as the parties agree in writing. If Franchisor exercises its right of first refusal, it may set off all amounts due from Developer or any of its Affiliates (including, if applicable, all fees for any appraiser due from Developer) against any payment for the interest to be purchased.

(iv) A decision of the Franchisor not to exercise the right of first refusal granted by this Section will not constitute a waiver of any other provision of this Agreement, including all of the Transfer requirements of this Section, with respect to a proposed Transfer. If Franchisor does not exercise its right of first refusal on any particular offer, any material change in the terms of the offer before closing will constitute a new offer subject to the same right of first refusal by Franchisor as in the case of the initial offer. Failure to comply with the provisions of this Section will constitute a material event of default under this Agreement.

(f) Purchase Upon Developer's Death or Disability.

(i) This Section applies only if (i) an individual Developer or a Principal owning a Controlling Interest in a Business Entity Developer dies or becomes Permanently Disabled during the Term, and (ii) the death or Permanent Disability results in a change in executive-level responsibility for the development activities contemplated by this Agreement.

(ii) During the first 120 days after Franchisor receives notice of the death or Permanent Disability, Franchisor will evaluate the new management's willingness and ability to continue to develop

Developer's Waterloo Turf Businesses in compliance with this Agreement. By the end of the 120-day evaluation period, Franchisor will decide whether the new management is qualified to continue to develop Developer's Waterloo Turf Businesses and will notify management of its decision. As conditions to continuing the Franchise relationship, any deficiency in Developer's compliance with the requirements of this Agreement must be cured. Further, Franchisor may require management to attend and satisfactorily complete Franchisor's initial training program.

(iii) If any of the conditions stated in this Section are not satisfied, or if Franchisor decides that the new management has not adequately demonstrated its business qualifications or commitment to the Franchise relationship, the remaining Principals will have 120 days after delivery of Franchisor's notice to (i) locate new management that is acceptable to Franchisor, or (ii) sign a binding contract to sell the development rights or a Controlling Interest in the Franchise rights to a buyer approved by Franchisor in accordance with the requirements of this Agreement. The proposed sale will be subject to Franchisor's right of first refusal.

(iv) If any of the Principals fail to sign a binding contract of sale before the 120-day selling period expires, or if a contract is signed, but the proposed sale is not concluded within 30 days after Franchisor relinquishes its right of first refusal, Franchisor will have an additional option during the next 30 days to purchase the interest the deceased or Permanently Disabled person held at the date of death or Permanent Disability. The purchase price for the interest will be its fair market value, determined through negotiations or by appraisal. Unless otherwise agreed by the parties, the purchase price will be payable in cash at closing. If Franchisor delivers written notice of its intention to exercise the option within the 30-day period, the option will be considered effectively exercised whether or not the purchase is actually consummated within the 30-day period.

(v) If the parties fail to agree on a purchase price for the interest within 21 days after delivery of Franchisor's notice, the purchase price will be determined by two appraisers in accordance with the appraisal process specified in the right of first refusal provision.

(g) **Involuntary Transfers.** No involuntary Transfer or partitioning of Developer's or the Principals' interest in the Franchise or under this Agreement, whether in connection with a bankruptcy, foreclosure, divorce or other proceeding, will be effective against Franchisor unless and until (1) the transferee furnishes Franchisor a signed guaranty under which the transferee agrees to be jointly and severally liable for the payment of Developer's monetary obligations under this Agreement, whether or not such obligations are then delinquent, (2) the transferee agrees in writing to be personally bound by the confidentiality provisions and restrictive covenants in this Agreement, and (3) the Transfer encompasses Developer's and the Principals' total interest in the Franchise and under this Agreement, irrevocably designates and appoints Developer to be the transferee's agent and attorney-in-fact with whom Franchisor may deal for all purposes expressed in or contemplated by this Agreement.

(h) **Waiver of Interference Claims.** Developer acknowledges that Franchisor has legitimate reasons to evaluate the qualifications of potential transferees and to analyze and critique the terms of their purchase contracts with Developer. Developer also acknowledges that Franchisor's contact with potential transferees for the purpose of protecting its business interests will not constitute improper or unlawful conduct. Developer expressly authorizes Franchisor to investigate any potential transferee's qualifications, to analyze and critique the proposed purchase terms with the transferee, and to withhold consent to economically questionable transactions. Developer waives any claim that action Franchisor takes in relation to a proposed transfer to protect its business interests constitutes tortious interference with contractual or business relationships.

14. Law Governing; Dispute Resolution.

(a) Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§1051 *et. seq.*), this Agreement will for all purposes be governed by and interpreted and enforced in accordance with the internal laws of the State of Texas, except that its choice of law and conflict of law rules will not apply. Notwithstanding the above, Developer and the Principals agree that the Texas Deceptive Trade Practices Act (and any successor laws, rules or regulations thereto) does not apply to the transactions contemplated by this Agreement.

(b) The parties mutually agree that the state and federal courts located in the county in which Franchisor has its then current principal place of business (currently the U.S. District Court for the Western District of Texas, Austin Division, or if such court lacks jurisdiction, the state courts located in Austin, Texas), will be the exclusive venue and exclusive forum in which to adjudicate any Action arising from or relating to this Agreement and any guarantees hereof, undertakings hereunder provided and relationship established thereby, however, with respect to any Action which seeks monies owed, injunctive relief or other extraordinary relief, Franchisor may bring such action in any court of competent jurisdiction. The parties irrevocably submit to the jurisdiction of such courts and waive any objections to either the jurisdiction of or venue in such courts. The parties mutually agree that personal jurisdiction may be effected by service of process and that when so made will be as if served personally. This Agreement was executed and accepted at Franchisor's current place of business in or around Austin, Texas. The parties anticipate that the performance of certain of Developer's obligations arising under this Agreement, including the payment of certain monies due Franchisor, will initially occur in or around Austin, Texas.

(c) Except with respect to Developer's and each Principal's obligation to indemnify Franchisor and claims Franchisor brings for Developer's unauthorized use of the Marks or unauthorized use or disclosure of any Trade Secrets, the parties waive to the fullest extent permitted by law any right to or claim for any punitive, exemplary, special and consequential damages against the other and agree that, in the event of an Action arising from a dispute between the parties, the parties bringing an Action will be limited to equitable relief and to recovery of any direct or general damages it sustains; provided, however that Franchisor will have the right to seek and recover lost profits in the event of termination of this Agreement.

(d) Except for an Action arising from Developer's nonpayment or underpayment of amounts Developer owes Franchisor pursuant to this Agreement, or an Action related to Developer's unauthorized use of the Marks, any and all Actions arising out of or relating to this Agreement or the relationship created hereby will be barred unless an Action is commenced within 2 years and day after the date on which the party asserting such Action knew or should have known of the facts giving rise to such Action. Notwithstanding the foregoing, with respect to any Actions arising out of or in connection with an Event of Force Majeure, the 2 years and 1 day limit on Actions provided for in this Section will be extended for a period equal to the extended performance period resulting from the Event of Force Majeure, provided that such period will not exceed 90 days.

(e) Developer and the Principals agree that any Action arising from or relating to this Agreement and any guarantees hereof, undertakings hereunder provided and the relationship established thereby shall be conducted on an individual basis, and not as part of a common, consolidated or class action.

15. JURY TRIAL WAIVER. THE PARTIES IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER PARTY RELATING TO THE RELATIONSHIP BETWEEN THE PARTIES OR ARISING UNDER OR IN ANY WAY CONNECTED WITH THIS AGREEMENT OR ANY RIGHT OR CURE

HEREUNDER. THE PARTIES ACKNOWLEDGE THEIR RIGHT TO A JURY TRIAL, THAT THEY HAVE HAD AN OPPORTUNITY TO CONSULT WITH COUNSEL AND THAT THIS WAIVER IS ENTERED INTO KNOWINGLY AND VOLUNTARILY.

16. Miscellaneous.

(a) This Agreement is not intended to create, and will not be interpreted or construed as creating, a franchise, partnership, joint venture, agency, employment, personal services or similar relationship between Franchisor and Developer. No representation to the contrary will be binding upon Franchisor.

(b) This Agreement will be binding upon and inure to the benefit of Franchisor and Developer and their respective successors, permitted assigns, executors, heirs and personal representatives. If Developer is, or subsequently Transfers the Franchise to, a Business Entity, each Principal will also be personally and individually bound by the provisions of this Agreement that expressly.

(c) This Agreement will not be binding on Franchisor and no development rights will be granted unless and until each Principal executes and delivers a Personal Guaranty and Principals' Undertaking in the form attached as Exhibit A. Additionally, all Persons who receive Confidential Information as a result of Developer's operations hereunder, that do not satisfy the term "Principal" under this Agreement, will be required to execute a copy of the Confidentiality Agreement [and Covenant Not to Compete] attached to this Agreement as Exhibit B; provided that only Persons with an Ownership Interest in Developer will be required to agree to the noncompetition sections of Exhibit B.

(d) The provisions of this Agreement are severable, and if any provision is held illegal, invalid or unenforceable, the holding will not affect the legality, validity or enforceability of any other provision. Any illegal, invalid or unenforceable provision will be reformed to the minimum extent necessary to render it legal, valid and enforceable and, as so reformed, will continue in full force and effect.

(e) The term "Developer" includes the plural as well as the singular, the masculine and feminine genders, and Business Entities as well as individuals.

(f) This Agreement may not be amended, modified or rescinded, or any performance requirement waived, except by a written document signed by Franchisor and Developer. The parties expressly agree that this Agreement may not be amended or modified, or any performance standard changed, by course of dealing or inference from a party's conduct. This provision does not apply to changes in the Brand Standards, which Franchisor may modify unilaterally.

(g) Notwithstanding any contrary provisions contained in this Agreement, Franchisor and Developer acknowledge and agree that (i) this Agreement (and the relationship of the parties which arises from this Agreement) grants Franchisor the discretion to make decisions, take actions and/or refrain from taking actions not inconsistent with Developer's explicit rights and obligations hereunder that may affect favorably or adversely Developer's interests; (ii) Franchisor will use its business judgment in exercising such discretion based on Franchisor's assessment of Franchisor's own interests and balancing those interests against the interests, promotion and benefit of the System and Waterloo Turf Businesses generally (including Franchisor, and its Affiliates and other developers), and specifically without considering Developer's individual interests or the individual interests of any other particular developer (examples of items that will promote or benefit the System and Waterloo Turf Businesses generally include, without limitation, enhancing the value of the Marks, improving Customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the System); (iii) Franchisor will have no liability to Developer for the exercise of

its discretion in this manner; and (iv) even if Franchisor has numerous motives for a particular action or decision, so long as at least one motive is a reasonable business justification no trier of fact in any legal action will substitute its judgment for Franchisor's judgment so exercised and such action or decision will not be subject to challenge for abuse of discretion. IF FRANCHISOR TAKES ANY ACTION OR CHOOSES NOT TO TAKE ANY ACTION IN ITS DISCRETION WITH REGARD TO ANY MATTER RELATED TO THIS AGREEMENT AND ITS ACTION OR INACTION IS CHALLENGED FOR ANY REASON, THE PARTIES EXPRESSLY DIRECT THE TRIER OF FACT THAT FRANCHISOR'S RELIANCE ON A BUSINESS REASON IN THE EXERCISE OF ITS DISCRETION IS TO BE VIEWED AS A REASONABLE AND PROPER EXERCISE OF ITS DISCRETION, WITHOUT REGARD TO WHETHER OTHER REASONS FOR OUR DECISION MAY EXIST AND WITHOUT REGARD TO WHETHER THE TRIER OF FACT WOULD INDEPENDENTLY ACCORD THE SAME WEIGHT TO THE BUSINESS REASON

(h) This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but such counterparts shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement in electronic (e.g. "pdf") format shall be effective as delivery of a manually executed counterpart of this Franchise Agreement. The words "execution," "signed," "signature," and words of similar import in this Agreement shall be deemed to include electronic or digital signatures or the keeping of records in electronic form, each of which shall be of the same effect, validity and enforceability as manually executed signatures or a paper-based recordkeeping system, as the case may be, to the extent and as provided for under applicable law, including the Electronic Signatures in Global and National Commerce Act of 2000 (15 USC §7001 et seq.) or any other similar state or federal laws.

17. Notices. All notices permitted or required to be delivered pursuant to the provisions of this Agreement will be delivered in writing to the address listed on the Summary Pages for Franchisor and to Developer's Corporate Address for Developer or such other address as the parties will specify by written notice, and will be deemed so delivered: (a) at the time delivered by hand; (b) 1 day after transmission by email, provided there is some proof of receipt; or (c) 1 day after being placed in the hands of a commercial courier service for next day delivery, provided there is some proof of receipt; and must be addressed to the party to be notified at the addresses as described above for Franchisor and Developer or such other address as the parties will specify by written notice.

18. Developer's Acknowledgments.

(a) Developer acknowledges (i) that this Agreement is not a Waterloo Turf Franchise Agreement and that it provides Developer neither a license to use the Marks nor any right to operate a Waterloo Turf Business, (ii) that Developer's rights under this Agreement are solely contractual and that no property rights are granted in or with respect to the Development Area, and (iii) that until a Waterloo Turf Franchise Agreement for a particular Territory is issued in accordance with this Agreement, Developer will not have or be entitled to exercise any of the rights or privileges of a Developer at or with respect to that location or Territory.

(b) Developer acknowledges and agrees that this Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof and supersedes all prior agreement, understandings, negotiations and discussions, whether oral or written, of the parties hereto, and there are no warranties, representations or other agreements between the parties hereto in connection with the subject matter hereof except as specifically set forth herein and therein; provided that to the extent applicable nothing in this Agreement, the Exhibits or any related agreement is intended to disclaim Franchisor's representations contained in the franchise disclosure document provided to Developer in connection with this Agreement. No supplement, modification, waiver or termination of this Agreement will be binding

unless executed in writing by the party hereto to be bound thereby. No waiver of any of the provisions of this Agreement will be deemed or will constitute a waiver of any other provisions (whether or not similar), nor will such waiver constitute a continuing waiver unless otherwise expressly provided.

(c) Developer acknowledges that no document that this Agreement requires will be binding on Franchisor unless it is signed on Franchisor's behalf by its authorized representative.

(d) Developer acknowledges and agrees that this Agreement creates an arm's length commercial relationship that cannot and will not be transformed into a fiduciary or other "special" relationship by course of dealing, by any special indulgences or benefits that Franchisor bestows on Developer, or by inference from a party's conduct.

(e) Developer acknowledges and agrees that Developer received (i) Franchisor's then current franchise disclosure document required by the Trade Regulation Rule of the Federal Trade Commission entitled "Disclosure Requirements and Prohibitions Concerning Franchising" at least 14 days prior to execution of this Agreement as required by such Trade Regulation Rule and (ii) a fully completed copy of this Agreement at least 7 days prior to execution as required by such Trade Regulation Rule, as further described in the Summary Pages.

[COMPLETED AND EXECUTED ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned have entered into this Agreement as witnessed by their signatures below.

FRANCHISOR

Waterloo Turf Franchising Co, LLC,
a Texas limited liability company

By: _____
Name: Tim Lovett
Title: Chief Executive Officer

DEVELOPER

By: _____
Name: _____
Title: _____

EXHIBIT A

PERSONAL GUARANTY AND CONTROLLING PRINCIPALS' UNDERTAKING

In consideration of, and as an inducement to, the execution of the Development Agreement with the date set forth below, including any appendices and amendments thereto (the "Development Agreement"), by and between Waterloo Turf Franchising Co, LLC, a Texas limited liability company with its headquarters office located as of the date hereof at 11701 Bee Caves Road, Suite 180, Austin, Texas 78734 ("Franchisor") and the Developer named below ("Developer"), each of the undersigned Principals hereby personally and unconditionally: (1) guarantees to Franchisor and its successors and assigns, for the Term of the Development Agreement and thereafter as provided in the Development Agreement, that Developer will punctually pay and perform the agreements and covenants expressly provided by the terms of the Development Agreement; and (2) acknowledges that each is included in the term "Principal" as described in the Development Agreement and without limiting any guarantee of Developer's obligations under the Development Agreement, jointly and severally makes all of the covenants, representations, warranties and agreements of Principals set forth in the Development Agreement and is jointly and severally obligated to perform thereunder for so long as he or she qualifies as a Principal and thereafter to the extent expressly provided by the terms of the Development Agreement, including, but not limited to, the covenants, representations, warranties and agreements described in the following sections of the Development Agreement: Section 9 (regarding indemnification), 10 (regarding confidentiality and non-competition), 13 (regarding Transfer) and 15 (regarding governing law and dispute resolution); and (3) represents that each and every representation of Developer made in connection with the Development Agreement is true, correct and complete in all respects as of the time given and as of the time of the undersigned's execution of this Personal Guaranty and Principals' Undertaking. Any capitalized terms used but not defined in this Personal Guaranty and Principals' Undertaking will have the meaning set forth in the Development Agreement.

Each of the undersigned waives: (a) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (d) any right he or she may have to require that an action be brought against Developer or any other person as a condition of liability; (e) notice of any amendment to the Development Agreement; and (f) any and all other notices and legal or equitable defenses to which he may be entitled.

Each of the undersigned consents and agrees that: (i) his or her direct and immediate liability under this Personal Guaranty and Principals' Undertaking will be joint and several; (ii) he or she will render any payment or performance required under the Development Agreement upon demand if Developer fails or refuses to do so punctually; (iii) such liability will not be contingent or conditioned upon pursuit by Franchisor of any remedies against Developer or any other person; and (iv) such liability will not be diminished, relieved or otherwise effected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to Developer or to any other person including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which will in any way modify or amend this Personal Guaranty and Principals' Undertaking, which will be continuing and irrevocable until satisfied in full.

Each of the undersigned agrees that the state and federal courts in the county which Franchisor has its then current principal place of business (currently the U.S. District Court for the Western District of Texas, Austin Division, or if such court lacks jurisdiction, the state courts located in Austin, Texas), will be the exclusive venue and exclusive forum in which to adjudicate any case or controversy arising from or relating to the Development Agreement and this Personal Guaranty and Principals' Undertaking. The undersigned irrevocably submits to the jurisdiction of such courts and waives any objections to either the jurisdiction of or venue in such courts. The undersigned agrees that personal jurisdiction may be effected by service of process and that when so made will be as if served personally.

The undersigned irrevocably waives, to the fullest extent the undersigned may lawfully do so, the defense of an inconvenient forum to the maintenance of such suit, action or proceeding and agrees that service of process for purposes of any such suit, action or proceeding need not be personally served or served within the State of Texas but may be served with the same effect as if served within the State of Texas, by means permitted by law addressed to the undersigned at the address set forth herein. Nothing contained herein will affect Franchisor's rights to bring a suit, action or proceeding in any other appropriate jurisdiction, including any suit, action or proceeding brought to enforce any judgment against one or more of the undersigned entered by a state or federal court.

Each of the undersigned further acknowledges and agrees as follows:

Each has read the terms and conditions of the Development Agreement and acknowledges that the execution of this Personal Guaranty and Principals' Undertaking is in partial consideration for, and a condition to the granting of the rights to the Marks and the System, and the Franchisor would not have granted such rights without the execution of this Personal Guaranty and Principals' Undertaking by each of the undersigned;

This Personal Guaranty and Principals' Undertaking will remain in force notwithstanding the death of the undersigned, and will be binding on the undersigned's personal representatives; and

This Personal Guaranty and Principals' Undertaking will continue and will be enforceable notwithstanding any change in the name or the constitution of the Franchisor or Developer.

Each of the undersigned represents and warrants that the following is a complete and accurate list of all Principals of Developer and a full description of the nature and extent of each Principal's Ownership Interest in Developer. Developer, and each Principal as to his Ownership Interest, represents and warrants that each Principal is the sole and exclusive legal and beneficial owner of his Ownership Interest in Developer, free and clear of all liens, restrictions, agreements and encumbrances of any kind or nature, other than those required or permitted by this Personal Guaranty and Principals' Undertaking.

Name of Developer: _____ Date of Development Agreement: _____

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his signature, under seal, on the same day and year as the Development Agreement was executed.

**OWNERSHIP INTEREST IN/
ROLE WITH DEVELOPER:**

PRINCIPAL(S):

(Signature)

(Print Name)

(Signature)

(Print Name)

EXHIBIT B

CONFIDENTIALITY AGREEMENT [AND COVENANT NOT TO COMPETE]

This Confidentiality Agreement [and Covenant Not to Compete] (this “Agreement”) is made and entered into as of the Effective Date set forth below, among Waterloo Turf Franchising Co, LLC, a Texas limited liability company with its headquarters office located as of the date hereof at 11701 Bee Caves Road, Suite 180, Austin, Texas 78734 (“Franchisor”), the Developer entity described in the signature below (“Developer”) and the owner, manager or employee described as the Recipient below (“Recipient”).

RECITALS

WHEREAS, Franchisor, as the result of the expenditure of time, skill, effort and money, has acquired the right to use and license others to use a distinctive System for the development and operation of the Waterloo Turf Businesses that operate under the Waterloo Turf Business trade name; and

WHEREAS, the System includes, but is not limited to, means the development guidelines, opening guidelines, operational guidelines, initial and ongoing training programs, business methods, designs, arrangements and Brand Standards for developing, opening and operating Waterloo Turf Businesses, including those pertaining to Office/Storage Facility selection, Approved Equipment and Supplies (including Vehicles, Technology and Information Systems, equipment, supplies, signage and trade dress), Approved Products and Services and any other related products, services, supplies and items that are used, offered or sold in Waterloo Turf Businesses generally, methods of inventory control and requirements and policies regarding accounting and financial performance and advertising and marketing program, all of which Franchisor may improve, further develop or otherwise modify from time to time; and

WHEREAS, Franchisor’s Confidential Information developed and used in connection with the System provides economic advantages to Franchisor and includes information and know-how not generally known to, and not readily ascertainable by proper means by, Franchisor’s competitors who could obtain economic value from knowledge and use of the Confidential Information; and

WHEREAS, Franchisor has taken and intends to take all steps to maintain the confidentiality and secrecy of the Confidential Information; and

WHEREAS, Franchisor has granted Developer the limited right to develop Waterloo Turf Businesses using the System, the Marks and Confidential Information for the period defined in the Development Agreement made and entered into on the date described below (“Development Agreement”), by and between Franchisor and Developer; and

WHEREAS, Franchisor and Developer have agreed in the Development Agreement on the importance to Franchisor and to Developer and other licensed users of the System of restricting the use, access and dissemination of the Confidential Information; and

WHEREAS, it will be necessary for certain personnel, agents, independent contractors, officers, directors and interest holders of Developer, or any entity having an interest in Developer to have access to and to use some or all of the Confidential Information in the development of Developer’s Businesses using the System; and

WHEREAS, Developer has agreed to obtain from recipients of Confidential Information written Agreements protecting the System against unfair competition; and

WHEREAS, Recipient wishes to remain, or wishes to become employed by or associated with Developer; and

WHEREAS, Recipient wishes and needs to receive and use the Confidential Information in the course of his or her employment or association in order to effectively perform services for Developer; and

WHEREAS, Recipient acknowledges that receipt of and the right to use the Confidential Information constitutes independent valuable consideration for the representations, promises and covenants made by Recipient herein;

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

1. Recipient expressly acknowledges that Recipient possesses skills and abilities of a general nature and has other opportunities for exploiting such skills. Consequently, enforcement of the covenants made in this Agreement will not deprive Recipient of any personal goodwill or ability to earn a living.

2. Franchisor and/or Developer will disclose to Recipient some or all of the Confidential Information relating to the System. As used in this Agreement, "Confidential Information" will include all items contemplated in the Development Agreement's definition "Confidential Information" as well as any and all other information and materials, including, without limitation, any manuals, drawings, specifications, techniques and compilations of data which Franchisor provides to Developer and/or Recipient.

3. Recipient will receive the Confidential Information in confidence and will, at all times, maintain them in confidence, and use the Confidential Information only in the course of his or her employment by or association with Developer and then only in connection with the development and/or operation by Developer of the Waterloo Turf Businesses using the System for so long as Developer is licensed by Franchisor to use the System.

4. Recipient will not at any time make copies of any documents or compilations containing some or all of the Confidential Information without Franchisor's written permission.

5. Recipient will not at any time disclose or permit the disclosure of the Confidential Information except to other personnel of Developer and only to the limited extent necessary to train or assist other personnel of Developer in the development or operation or management of a Waterloo Turf Business using the System.

[THE BELOW SECTION IS ONLY APPLICABLE IF THE RECEIPIENT HAS AN OWNERSHIP INTEREST IN DEVELOPER]

6. *If Recipient has an Ownership Interest of any type in Developer, including but not limited to (a) in relation to a corporation, the ownership of shares in the corporation; (b) in relation to a partnership, the ownership of a general partner or limited partnership interest; (c) in relation to a limited liability corporation, the ownership of a membership interest; or (d) in relation to a trust, the ownership of the beneficial interest of such trust, Recipient covenants and agrees that, during the term of the Development Agreement and for 18 months after Recipient ceases to have such Ownership Interest or for 18 months after the Development Agreement has terminated for any reason, whichever occurs earlier, Recipient will not own or operate, directly or indirectly, or accept employment by or hold an interest in a Competing Business (defined as any residential or commercial artificial turf business whose primary focus is performing, offering and/or selling products and services similar to the Approved Products and Services to third parties through any means of distribution), which is located (i) at the Waterloo Turf Business Address; or (ii) within the Development Area, or (iii) within 25 miles of the perimeter of the Development Area, or (iv) within 25 miles of the home or office premises of any other Waterloo Turf Business. For purposes of calculating the duration of the 18-month period, any time during which Recipient (as applicable) is in violation or breach of the covenant will be*

excluded. Recipient acknowledges that Recipient's covenant not to compete is reasonable and necessary to protect the business and goodwill of Franchisor and to avoid misappropriation or other unauthorized use of the System and Franchisor's Confidential Information. Recipient acknowledges and confirms that Recipient possesses the education, training and experience necessary to earn a reasonable livelihood apart from operating a Competing Business.

The parties agree that the foregoing covenant will be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Recipient expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section.

Recipient understands and acknowledges that Franchisor will have the right to reduce the scope of any covenant set forth in this Section, or any portion thereof, without his or her consent, effective immediately upon notice to Recipient; and Recipient agrees that he or she will comply forthwith with any covenant as so modified, which will be fully enforceable notwithstanding any provisions of this Agreement.

7. Recipient will surrender any material containing some or all of Franchisor's Confidential Information to Developer or Franchisor, upon request, or upon termination of employment by or association with Developer, or upon conclusion of the use for which such information or material may have been furnished to Recipient.

8. Recipient will not at any time, directly or indirectly, do any act or omit to do any act that would or would likely be injurious or prejudicial to the goodwill associated with the Confidential Information and the System.

9. All manuals are loaned by Franchisor to Developer for limited purposes only and remain the property of Franchisor and may not be reproduced, in whole or in part, without Franchisor's prior written consent.

10. Any capitalized terms used but not defined in this Agreement will have the meaning set forth in the Development Agreement.

11. Developer will make all efforts to ensure that Recipient acts as required by this Agreement.

12. Recipient agrees that in the event of a breach of this Agreement, Franchisor would be irreparably injured and be without an adequate remedy at law. Therefore, in the event of such a breach, or threatened or attempted breach of any of the provisions hereof, Franchisor will be entitled to enforce the provisions of this Agreement and will be entitled, in addition to any other remedies which are made available to it at law or in equity (including any right to terminate the Development Agreement, as provided therein), to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.

13. Recipient agrees to pay all expenses (including court costs and attorneys' fees) incurred by Franchisor and Developer in enforcing this Agreement.

14. Any failure by Franchisor or the Developer to object to or take action with respect to any breach of any provision of this Agreement by Recipient will not operate or be construed as a waiver of or consent to that breach or any subsequent breach by Recipient.

15. **THIS AGREEMENT WILL FOR ALL PURPOSES BE GOVERNED BY AND INTERPRETED AND ENFORCED IN ACCORDANCE WITH THE LAW OF TEXAS,**

WITHOUT REFERENCE TO CONFLICTS OF LAW PRINCIPLES. RECIPIENT HEREBY IRREVOCABLY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON HIM OR HER IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY APPLICABLE LAW. RECIPIENT FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT WILL BE ANY COURT OF COMPETENT JURISDICTION WITH JURISDICTION OVER THE COUNTY IN WHICH FRANCHISOR HAS ITS THEN CURRENT PRINCIPAL PLACE OF BUSINESS (CURRENTLY AUSTIN, TEXAS); PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION WHICH INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR MAY BRING SUCH ACTION IN ANY COURT THAT HAS JURISDICTION.

16. The parties acknowledge and agree that each of the covenants contained herein are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor. The parties agree that each of the foregoing covenants will be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which Franchisor is a party, Recipient expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

17. This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a duly authorized writing executed by all parties.

18. For any breach of the non-competition/Competing Business obligations of this Agreement, and due to the difficulty of establishing the precise amount of damages for breach of these obligations, in addition to all other remedies provided for in this Agreement or otherwise available to Franchisor, Recipient agrees to pay Franchisor an amount equal to 15% of the gross revenues generated by a Competing Business with which Recipient is associated for a period equal to the duration Recipient is associated with the Competing Business; provided that for the avoidance of doubt only one monthly fee will be payable to Franchisor by Developer or any related Person in connection with a specific competing business that is violative of any Franchise Agreement directly and this Agreement. Demand for payment of liquidated damages does not constitute an election of remedies and any payments received will be in addition to and not in lieu of any other remedies to us at law or in equity.

19. This Agreement is not intended to create, and will not be interpreted or construed as creating, a partnership, joint venture, agency, employment, personal services, fiduciary or other "special" relationship between Franchisor and Recipient, and no representation to the contrary will be binding upon Franchisor.

20. All notices permitted or required to be delivered pursuant to the provisions of this Agreement will be delivered in writing to the appropriate address listed in the signature blocks for Franchisor, Developer and Recipient, or such other address as the parties will specify by written notice, and will be deemed so delivered: (a) at the time delivered by hand; (b) one day after transmission by email (provided that the sender confirms the email by sending an original confirmation copy by expedited delivery service within 5 days after transmission); or (c) one day after being placed in the hands of a commercial courier service for next day delivery, provided there is proof of receipt.

21. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and will inure to the benefit of its respective Affiliates, successors and assigns. The respective obligations of Developer and Recipient hereunder may not be assigned by Developer or Recipient, without the prior written consent of Franchisor. Any assignment or attempted assignment

lacking Franchisor's prior written consent or that otherwise violates the restrictions in this Section will be ineffective against Franchisor.

IN WITNESS WHEREOF, the undersigned have entered into this Agreement as witnessed by their signatures below.

FRANCHISOR

**Waterloo Turf Franchising Co, LLC,
a Texas limited liability company**

By: _____
Print Name: _____
Its: _____

Effective Date: _____
Date of Development Agreement: _____

Franchisor's Address for Notice Purposes:

Waterloo Turf Franchising Co, LLC
11701 Bee Caves Road, Suite 180
Austin, Texas 78734
Email: tim@waterlooturf.com

RECIPIENT:

By: _____
Name: _____
Title: _____
Date: _____

Recipient's Address For Notice Purposes:

Attention: _____
Facsimile: _____
Email: _____

DEVELOPER

By: _____
Print Name: _____
Its: _____

Date: _____

Developer's Address for Notice Purposes:

Attention: _____
Facsimile: _____
Email: _____

EXHIBIT C

WATERLOO TURF FRANCHISE AGREEMENT

(See Exhibit B in the Franchise Disclosure Document)

EXHIBIT D

MAP OF DEVELOPMENT AREA

(attached)

**AMENDMENT TO WATERLOO TURF BUSINESS
DEVELOPMENT AGREEMENT
FOR THE STATE OF CALIFORNIA**

The Waterloo Turf Business Development Agreement between _____ (“Developer” or “You”) and Waterloo Turf Franchising Co, LLC (“Franchisor”) dated _____ (the “Development Agreement”) will be amended by the addition of the following language, which will be considered an integral part of the Development Agreement (the “Amendment”):

CALIFORNIA LAW MODIFICATIONS

1. The California Department of Financial Protection and Innovation requires that certain provisions contained in franchise documents be amended to be consistent with California law, including the California Franchise Investment Law, CAL. CORPORATIONS CODE Section 31000 et seq., and the California Franchise Relations Act, CAL. BUS. & PROF. CODE Section 20000 et seq. To the extent that the Development Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. California Business and Professions Code Sections 20000 through 20043 provide rights to You concerning termination, transfer or nonrenewal of the Development Agreement. The Federal Bankruptcy Code also provides rights to You concerning termination of the Development Agreement upon certain bankruptcy-related events. To the extent the Development Agreement contains a provision that is inconsistent with these laws, these laws will control.
- b. The Development Agreement requires You to execute a release of claims in certain instances. Such release will exclude claims arising under the California Franchise Investment Law and the California Franchise Relations Act.
- c. The Development Agreement contains a covenant not to compete which extends beyond the termination of the franchise. A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code Section 16600.
- d. Both the governing law and choice of law for Franchisees operating outlets located in California will be the California Franchise Investment Law and the California Franchise Relations Act regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the franchise agreement or amendment to or any agreement to the contrary is superseded by this condition.
- e. The Franchise Agreement requires an interest rate greater than 10% per annum (the highest amount allowed in California). Accordingly, such interest rate will be reduced to 10% per annum.
- f. Nothing in this or in any related agreement, however, is intended to disclaim the representations Franchisor made in the franchise disclosure document that Franchisor furnished to Franchisee.
- g. 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.

- h. Based upon our financial condition, the California Department of Financial Protection and Innovation has imposed a fee deferral requirement. Accordingly, you will not be required to pay the initial development fees due to us and/or our affiliates until we have completed all our pre-opening obligations to you and you begin operating your first franchise business.

2. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Development Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that Developer has initiated.

IN WITNESS WHEREOF, Developer acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Development Agreement on the Effective Date set forth below.

FRANCHISOR

DEVELOPER

**Waterloo Turf Franchising Co, LLC,
a Texas limited liability company**

By: _____
Print Name: _____
Its: _____

By: _____
Print Name: _____
Its: _____

Effective Date: _____

Date: _____

**AMENDMENT TO WATERLOO TURF BUSINESS
DEVELOPMENT AGREEMENT
FOR THE STATE OF HAWAII**

The Waterloo Turf Business Development Agreement between _____
("Franchisee" or "Franchisee") and Waterloo Turf Franchising Co, LLC ("Franchisor") dated _____
(the "Development Agreement") will be amended by the addition of the following
language, which will be considered an integral part of the Development Agreement (the "Amendment"):

HAWAII LAW MODIFICATIONS

1. None

IN WITNESS WHEREOF, the parties hereto have signed this Agreement. Upon execution and delivery of this Agreement by both parties the effective date shall be the date first above written.

FRANCHISOR

**Waterloo Turf Franchising Co, LLC,
a Texas limited liability company**

By: _____
Print Name: _____
Its: _____

Effective Date: _____

DEVELOPER

By: _____
Print Name: _____
Its: _____

Date: _____

**AMENDMENT TO WATERLOO TURF BUSINESS
DEVELOPMENT AGREEMENT
FOR THE STATE OF ILLINOIS**

The Waterloo Turf Business Development Agreement between _____ (“Developer” or “You”) and Waterloo Turf Franchising Co, LLC (“Franchisor”) dated _____ (the “Development Agreement”) will be amended by the addition of the following language, which will be considered an integral part of the Development Agreement (the “Amendment”):

ILLINOIS LAW MODIFICATIONS

Illinois law governs the Franchise Agreement and Development Agreement.

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

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

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act **or any other law of Illinois** is void.

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 franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Payment of the Development Fee under the Development Agreement will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced business operations. The Illinois Attorney General’s Office imposed this deferral requirement due to Franchisor’s financial condition.

Each provision of this Amendment will be effective only to the extent that the jurisdictional requirements of the Illinois law applicable to the provision are met independent of this Amendment. This Amendment will have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, Developer acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Development Agreement on the Effective Date set forth below.

FRANCHISOR

**Waterloo Turf Franchising Co, LLC,
a Texas limited liability company**

By: _____
Print Name: _____
Its: _____

DEVELOPER

By: _____
Print Name: _____
Its: _____

Effective Date: _____

Date: _____

**AMENDMENT TO WATERLOO TURF BUSINESS
DEVELOPMENT AGREEMENT
FOR THE STATE OF MARYLAND**

The Waterloo Turf Business Development Agreement between _____ (“Developer” or “You”) and Waterloo Turf Franchising Co, LLC (“Franchisor”) dated _____ (the “Development Agreement”) will be amended by the addition of the following language, which will be considered an integral part of the Development Agreement (the “Amendment”):

MARYLAND LAW MODIFICATIONS

1. The Maryland Securities Division requires that certain provisions contained in franchise documents be amended to be consistent with Maryland law, including the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. Sections 14-201 - 14-233 (1998 Repl. Vol. & Supp. 2002). To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. The general release required as a condition of renewal, sale and/or assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
- b. This Agreement is hereby amended to reflect that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
- c. This Agreement requires litigation to be conducted in a forum other than the State of Maryland. The requirement will not be interpreted to limit any rights Developer may have under Sec. 14-216 (c)(25) of the Maryland Franchise Registration and Disclosure Law to bring suit in the state of Maryland.
- d. If Developer is required in this Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act, such release will exclude claims arising under the Maryland Franchise Registration and Disclosure Law, and such acknowledgments will be void with respect to claims under the Law.
- e. Section 14-226 of the Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a prospective franchisee to assent to any release, estoppel or waiver of liability as a condition of purchasing a franchise. This Agreement requires prospective franchisees to disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Franchise Law. Such representations are not intended to nor will they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law resulting from the offer or sale of the franchise.

2. No statement, questionnaire, or acknowledgment signed or agreed to by Franchisor 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. Each provision of this Amendment will be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, with respect to each such provision, are met independent of this Amendment. This Amendment will have no force or effect if such jurisdictional requirements are not met.

4. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Development Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that Developer has initiated.

IN WITNESS WHEREOF, Developer acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Development Agreement on the Effective Date set forth below.

FRANCHISOR

**Waterloo Turf Franchising Co, LLC,
a Texas limited liability company**

By: _____

Print Name: _____

Its: _____

Effective Date: _____

DEVELOPER

By: _____

Print Name: _____

Its: _____

Date: _____

**AMENDMENT TO WATERLOO TURF BUSINESS
DEVELOPMENT AGREEMENT
FOR THE STATE OF MINNESOTA**

The Waterloo Turf Business Development Agreement between _____ (“Developer” or “You”) and Waterloo Turf Franchising Co, LLC (“Franchisor”) dated _____ (the “Development Agreement”) will be amended by the addition of the following language, which will be considered an integral part of the Development Agreement (the “Amendment”):

MINNESOTA LAW MODIFICATIONS

1. The Commissioner of Commerce for the State of Minnesota requires that certain provisions contained in franchise documents be amended to be consistent with Minnesota Franchise Act, Minn. Stat. Section 80.01 et seq., and of the Rules and Regulations promulgated under the Act (collectively the “Franchise Act”). To the extent that the Development Agreement and Franchise Disclosure Document contain provisions that are inconsistent with the following, such provisions are hereby amended:

a. The Minnesota Department of Commerce requires that Franchisor indemnify Minnesota Franchisees against liability to third parties resulting from claims by third parties that Franchisee’s use of the Proprietary Marks infringes trademark rights of the third party. Franchisor does not indemnify against the consequences of Franchisee’s use of the Proprietary Marks except in accordance with the requirements of the Development Agreement, and, as a condition to indemnification, Franchisee must provide notice to Franchisor of any such claim within 10 days after the earlier of (i) actual notice of the claim or (ii) receipt of written notice of the claim, and must therein tender the defense of the claim to Franchisor. If Franchisor accepts the tender of defense, Franchisor has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim. If the Development Agreement and/or the Franchise Disclosure Document contains a provision that is inconsistent with the Franchise Act, the provisions of the Development Agreement shall be superseded by the Act’s requirements and shall have no force or effect.

b. Franchise Act, Sec. 80C.14, Subd. 4., requires, except in certain specified cases, that Franchisee be given written notice of a Franchisor’s intention not to renew 180 days prior to expiration of the franchise and that Franchisee be given sufficient opportunity to operate the franchise in order to enable Franchisee the opportunity to recover the fair market value of the franchise as a going concern. If the Development Agreement and/or the Franchise Disclosure Document contains a provision that is inconsistent with the Franchise Act, the provisions of the Development Agreement shall be superseded by the Act’s requirements and shall have no force or effect.

c. Franchise Act, Sec. 80C.14, Subd. 3., requires, except in certain specified cases, that Franchisee be given 90 days’ notice of termination (with 60 days to cure). If the Development Agreement and/or the Franchise Disclosure Document contains a provision that is inconsistent with the Franchise Act, the provisions of the Development Agreement shall be superseded by the Act’s requirements and shall have no force or effect.

d. If the Development Agreement and/or the Franchise Disclosure Document requires Franchisee to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Franchise Act, such release shall exclude claims arising under the Franchise Act, and such acknowledgments shall be void with respect to claims under the Act.

e. If the Development Agreement and/or the Franchise Disclosure Document requires that it be governed by a state’s law, other than the State of Minnesota, those provisions shall not in any way abrogate or reduce any rights of Franchisee as provided for in the Franchise Act, including the right to submit matters

to the jurisdiction of the courts of Minnesota.

f. If the Development Agreement and/or the Franchise Disclosure Document requires Franchisee to sue Franchisor outside the State of Minnesota, those provisions shall not in any way abrogate or reduce any rights of Franchisee as provided for in the Franchise Act, including the right to submit matters to the jurisdiction of the courts of Minnesota.

g. Minn. Rule 2860.4400J. prohibits Franchisor from requiring You to consent to liquidated damages and prohibits waiver of a jury trial. If the Development Agreement and/or the Franchise Disclosure Document contains a provision that is inconsistent with the Minn. Rule, the provisions of the Development Agreement and/or the Franchise Disclosure Document shall be superseded by the Minn. Rule's requirements and shall have no force or effect.

h. You cannot consent to the Franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rule 2860.4400J. A court will determine if a bond is required.

i. The Limitations on Actions section must comply with Minnesota Statutes, Section 80C.15, Subd. 5.

j. The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

k. NSF checks are governed by Minnesota Statute 60A.113, which puts a cap of \$30 on service charges.

2. No statement, questionnaire, or acknowledgment signed or agreed to by Franchisor 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. Each provision of this Agreement and/or the Franchise Disclosure Document will be effective only to the extent that the jurisdictional requirements of the Minnesota law applicable to the provision are met independent of this Amendment. This Amendment will have no force or effect if such jurisdictional requirements are not met.

4. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Development Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that Developer has initiated.

IN WITNESS WHEREOF, Developer acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Development Agreement on the Effective Date set forth below.

FRANCHISOR

**Waterloo Turf Franchising Co, LLC,
a Texas limited liability company**

By: _____
Print Name: _____
Its: _____

Date: _____

DEVELOPER

By: _____
Print Name: _____
Its: _____

Date: _____

**AMENDMENT TO WATERLOO TURF BUSINESS
DEVELOPMENT AGREEMENT
FOR THE STATE OF NEW YORK**

The Waterloo Turf Business Development Agreement between _____ (“Developer” or “You”) and Waterloo Turf Franchising Co, LLC (“Franchisor”) dated _____ (the “Development Agreement”) will be amended by the addition of the following language, which will be considered an integral part of the Development Agreement (the “Amendment”):

NEW YORK LAW MODIFICATIONS

IN WITNESS WHEREOF, Developer acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Development Agreement on _____, _____.

1. The New York Department of Law requires that certain provisions contained in franchise documents be amended to be consistent with New York law, including the General Business Law, Article 33, Sections 680 through 695 (1989). To the extent that the Development Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. If Developer is required in the Development Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the General Business Law, regulation, rule or order under the Law, such release will exclude claims arising under the New York General Business Law, Article 33, Section 680 through 695 and the regulations promulgated thereunder, and such acknowledgments will be void. It is the intent of this provision that non-waiver provisions of Sections 687.4 and 687.5 of the General Business Law be satisfied.
- b. If the Development Agreement requires that it be governed by a state's law, other than the State of New York, the choice of law provision will not be considered to waive any rights conferred upon Developer under the New York General Business Law, Article 33, Sections 680 through 695.
- c. Notwithstanding any rights you may have in the Development Agreement permitting You to terminate the Development Agreement, You may also have additional rights to terminate the Development Agreement on any grounds available by law.
- d. With respect to any transfer or assignment by Franchisor, no assignment will be made except to an assignee who, in good faith and judgment of Franchisor, is willing and financially able to assume Franchisor's obligations under the Development Agreement.

2. No statement, questionnaire, or acknowledgment signed or agreed to by Franchisor 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. Each provision of this Amendment will be effective only to the extent that the jurisdictional requirements of the New York law applicable to the provision are met independent of this Amendment. This Amendment will have no force or effect if such jurisdictional requirements are not met.

4. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Development Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that Developer has initiated.

IN WITNESS WHEREOF, Developer acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Development Agreement on the Effective Date set forth below.

FRANCHISOR

DEVELOPER

**Waterloo Turf Franchising Co, LLC,
a Texas limited liability company**

By: _____
Print Name: _____
Its: _____

By: _____
Print Name: _____
Its: _____

Effective Date: _____

Date: _____

**AMENDMENT TO WATERLOO TURF BUSINESS
DEVELOPMENT AGREEMENT
FOR THE STATE OF RHODE ISLAND**

The Waterloo Turf Business Development Agreement between _____ (“Developer” or “You”) and Waterloo Turf Franchising Co, LLC (“Franchisor”) dated _____ (the “Development Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Development Agreement (the “Amendment”):

RHODE ISLAND LAW MODIFICATIONS

1. The Rhode Island Securities Division requires that certain provisions contained in franchise documents be amended to be consistent with Rhode Island law, including the Franchise Investment Act, R.I. Gen. Law. ch. 395 Sec. 19-28.1-1 -19-28.1-34. To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. If this Agreement requires litigation to be conducted in a forum other than the State of Rhode Island, the requirement is void under Rhode Island Franchise Investment Act Sec. 19-28.1-14.
- b. If this Agreement requires that it be governed by a state's law, other than the State of Rhode Island, to the extent that such law conflicts with Rhode Island Franchise Investment Act it is void under Sec. 19-28.1-14.
- c. If Franchisee is required in this Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act, such release shall exclude claims arising under the Rhode Island Franchise Investment Act, and such acknowledgments shall be void with respect to claims under the Act.

2. No statement, questionnaire, or acknowledgment signed or agreed to by Franchisor 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of North Dakota Law, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

4. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Development Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that Developer has initiated.

IN WITNESS WHEREOF, Developer acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Development Agreement on the Effective Date set forth below.

FRANCHISOR

**Waterloo Turf Franchising Co, LLC,
a Texas limited liability company**

By: _____

Print Name: _____

Its: _____

Effective Date: _____

DEVELOPER

By: _____

Print Name: _____

Its: _____

Date: _____

**AMENDMENT TO WATERLOO TURF BUSINESS
DEVELOPMENT AGREEMENT
FOR THE STATE OF VIRGINIA**

The Waterloo Turf Business Development Agreement between _____ (“Developer” or “You”) and Waterloo Turf Franchising Co, LLC (“Franchisor”) dated _____ (the “Development Agreement”) will be amended by the addition of the following language, which will be considered an integral part of the Development Agreement (the “Amendment”):

VIRGINIA LAW MODIFICATIONS

1. The Virginia State Corporation Commission, Division of Securities and Retail Franchising requires that certain provisions contained in franchise documents be amended to be consistent with Virginia law. To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial development fees due to us and/or our affiliates until we have completed all our pre-opening obligations to you and you begin operating your first franchise business.

Under subsection D of § 13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.

Under subdivision A 4 of § 13.1-563 of the Virginia Retail Franchising Act (“Act”), it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of § 13.1-563 of the Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale.

2. No statement, questionnaire, or acknowledgment signed or agreed to by Franchisor 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. Each provision of this Amendment will be effective only to the extent that the jurisdictional requirements of the Virginia law applicable to the provision are met independent of this Amendment. This Amendment will have no force or effect if such jurisdictional requirements are not met.

4. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Development Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that Developer has initiated.

IN WITNESS WHEREOF, Developer acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Development Agreement on the Effective Date set forth below.

FRANCHISOR

DEVELOPER

Waterloo Turf Franchising Co, LLC,
a Texas limited liability company

By: _____
Print Name: _____
Its: _____

By: _____
Print Name: _____
Its: _____

Effective Date: _____

Date: _____

Washington Addendum to the Development Agreement and All Related Agreements

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

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.
8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.
9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).
10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek

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

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

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

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

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

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

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

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

19. In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all pre-opening and initial training obligations that it

is entitled to under the franchise agreement or offering circular, and (b) is open for business. Because franchisor has material pre-opening obligations with respect to each franchised business Franchisee opens under the Area Development Agreement, payment of the franchise fee will be released proportionally with respect to each franchise outlet opened and until franchisor has met all its pre-opening obligations under the Agreement and Franchisee is open for business with respect to each such location.

The undersigned parties do hereby acknowledge receipt of this Addendum.

Dated this _____ day of _____ 20_____.

FRANCHISOR

DEVELOPER

**Waterloo Turf Franchising Co, LLC,
a Texas limited liability company**

By: _____
Print Name: _____
Its: _____

By: _____
Print Name: _____
Its: _____

Effective Date: _____

Date: _____

EXHIBIT D

APPLICANT CONFIDENTIALITY AGREEMENT AND AUTHORIZATION

APPLICANT CONFIDENTIALITY AGREEMENT AND AUTHORIZATION

This Applicant Confidentiality Agreement and Authorization ("Agreement") is entered into effective as of _____, 20____, by and among _____ (collectively, "Applicant," "you," or "your") and Waterloo Turf Franchising Co, LLC, a Texas limited liability company with its principal business address at 11701 Bee Caves Road, Suite 180, Austin, Texas 78734 ("Waterloo Turf", "we", "us" or "our"), with reference to the following facts:

RECITALS

We and our affiliates own, operate and grant franchises for Waterloo Turf Businesses (each a "Waterloo Turf Business") that offer and sell Approved Products and Services.

The distinguishing features of a Waterloo Turf Business include, but are not limited to, the name "Waterloo Turf"; specially designed equipment and other emblems, insignia, logos, trade names, trademarks and service marks (the "Marks"); products, methods, procedures, distinctive products and the formula and quality standards therefor; and instructional materials and training courses (collectively, the "System").

You are considering purchasing a franchise for a Waterloo Turf Business, and we wish to give you access to certain confidential and proprietary information and documents related to our business in order to assist you to evaluate the purchase of a franchise for a Waterloo Turf Business from us.

You wish to also grant us authorization to conduct a background check and other due diligence on you in connection with your interest in purchasing a franchise for a Waterloo Turf Business.

NOW, THEREFORE, in consideration of the premises, the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. Definition of Confidential Information. The term "Confidential Information" means all information, oral or written, know-how and documents (including, without limitation, our Manuals) relating to our franchise for a Waterloo Turf Business and the development and operation of a Waterloo Turf Business, furnished by us or our representatives to you or your representatives. Confidential Information also includes any analysis or study prepared by or for you which to any extent is based on our Confidential Information.

2. Your Agreement to Maintain Confidentiality. You acknowledge that it is important to our business to maintain the confidentiality of the Confidential Information and that we are making the Confidential Information available to you only for the limited purpose of investigating the purchase of a franchise for a Waterloo Turf Business. You further acknowledge and agree that the Confidential Information is proprietary to and a valuable trade secret of ours and that any disclosure or unauthorized use of the Confidential Information will cause us irreparable loss and harm. In consideration of the opportunity to obtain access to the Confidential Information, you hereby agree as follows:

a. To use the Confidential Information solely to carry out your evaluation of purchasing a franchise for a Waterloo Turf Business. During and after your evaluation, you will not use the Confidential Information for your own use, including in connection with any business, other than a Waterloo Turf Business operated under a valid franchise agreement with us. You agree not to disclose the Confidential Information, except (i) as may be required by law, or (ii) to your employees, outside counsel, accountants, and other representatives or affiliates who need to know such information for the purpose of helping you evaluate the purchase of a franchise for a Waterloo Turf Business. In the event you or any persons to whom you disclose

the Confidential Information become legally compelled (by deposition, interrogatory, request for documents, subpoena, civil investigative demand or similar process) to disclose any of the Confidential Information, you will give us prompt prior written notice of such requirement so that we may seek a protective order or other appropriate remedy and/or waive compliance with the terms hereof. In the event that such protective order or other remedy is not obtained, or we waive compliance with provisions hereof, you agree to furnish only that portion of the Confidential Information which you are advised by written opinion of counsel is legally required and exercise your best efforts to obtain assurances that confidential treatment will be accorded such Confidential Information.

b. To ensure that all your employees, outside counsel, accountants and other representatives and affiliates who are given access to the Confidential Information on your behalf will be bound by, and will conduct their evaluation in accordance with the terms of this Agreement. You will be fully responsible for any breach of this Agreement by any person to whom you give access to the Confidential Information.

c. Not to make copies of the Confidential Information except as necessary to assist you in your evaluation of the purchase of a franchise for a Waterloo Turf Business.

d. If you do not enter into a franchise relationship with us, or upon our request, to promptly return to us all Confidential Information and to retain no copies thereof.

3. Absence of Representations or Warranties. You understand and acknowledge that we are not making any representation or warranty, express or implied, as to the accuracy or completeness of the Confidential Information, and neither we nor any of our officers, directors, employees, agents or affiliates will have any liability to you or any other person resulting from your use of the Confidential Information. Only those representations and warranties, if any, that are made to you in any franchise and/or Development Agreements when, as, and if executed, and subject to such limitations and restrictions as may be specified therein, will have any legal effect.

4. Ownership. You acknowledge and agree that the Confidential Information is owned solely by us and our affiliates, and that this Agreement does not grant to you any rights in or to the Confidential Information except the limited right to use the Confidential Information to evaluate the purchase of a franchise for a Waterloo Turf Business.

5. Remedies. You agree that your obligations hereunder are necessary and reasonable in order to protect us and expressly agree that monetary damages would be inadequate to compensate us for any breach of any covenant or agreement set forth herein. Accordingly, you agree and acknowledge that any such violation or threatened violation will cause irreparable injury to us and that, in addition to any other remedies that may be available, in law, in equity or otherwise, we shall be entitled to obtain injunctive relief and specific performance against you for the threatened breach of this Agreement or the continuation of any such breach, without proof of actual damages and without posting bond.

6. Your Authorizations, Consents and Releases regarding this Agreement and Your Personal Information.

a. You understand that we will be requesting information on you from various companies, financial and other institutions, universities, credit reporting agencies, professional and academic certification law enforcement agencies, former employers, and/or the military, and you hereby authorize such entities to release any information that they may have about you to us and our agents and designees, and release them from any liability arising out of or related to their release of such information.

b. You authorize all financial institutions holding funds or other property on your behalf or on behalf of any business entity in which you hold a beneficial interest, whether or not identified in this

Agreement, to release all records including signature cards, statements and all documentation reflecting the source of deposited funds, whether the funds were received in the form of cash, credit, electronic fund transfer or wire transfer.

c. You also authorize us and our agents and designees to obtain such credit and other civil and criminal investigative reports as they consider necessary to evaluate this Agreement, and understand that these reports may contain information about your background, mode of living, character and personal reputation. This authorization is valid for any current and future reports and updates that may be requested and you agree to execute all additional documents, waivers or releases that might be necessary for us or our agents and designees to obtain such information or reports.

____ You request a copy of your credit report
____ You do not request a copy of your credit report

d. You further authorize us and our agents and designees to contact individuals or entities identified by you, or whose names arise in connection with the civil and criminal investigative reports described above for purposes of obtaining character references and verifying the information contained in this Agreement. You hereby authorize any individual or entity contacted by us or our agent or designee to provide all requested information, and release them from any liability arising out of or related to their release of such information.

7. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the undersigned parties, their successors and assigns; provided however that the Confidential Information shall not be assigned without our prior written consent.

8. Amendments and Waiver. This Agreement may be amended only in writing executed by the parties hereto. THERE ARE NO UNWRITTEN AGREEMENTS BETWEEN THE PARTIES. Failure to enforce any provision of this Agreement in one or more instances shall not constitute a waiver of any term hereof.

9. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state of Texas (regardless of the laws that might otherwise govern under applicable principles of conflicts of law) as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies.

10. JURISDICTION, VENUE AND WAIVER OF JURY TRIAL. ANY SUIT, ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT SHALL BE BROUGHT EXCLUSIVELY IN THE TEXAS STATE COURTS LOCATED IN AUSTIN, TEXAS, OR IN THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF TEXAS, AUSTIN, DIVISION. FOR THE PURPOSES OF SUCH EXCLUSIVE JURISDICTION, THE PARTIES HEREBY IRREVOCABLY WAIVE ANY OBJECTIONS WHICH THEY MAY NOW OR HEREAFTER HAVE TO THE JURISDICTION OR VENUE OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT BROUGHT IN SUCH COURTS AND HEREBY FURTHER IRREVOCABLY WAIVE ANY CLAIM THAT SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. THE PARTIES HEREBY FURTHER IRREVOCABLY WAIVE ANY RIGHT TO A JURY TRIAL IN ANY ACTION ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY RELATED AGREEMENTS.

The undersigned parties have executed and delivered this Agreement to be effective as of the day and year first above written.

APPLICANT

By: _____

Print Name: _____

Its: _____

Date: _____

FRANCHISOR

**Waterloo Turf Franchising Co, LLC,
a Texas limited liability company**

By: _____

Print Name: _____

Its: _____

Date: _____

EXHIBIT E

FRANCHISE APPLICATION

WATERLOO TURF BUSINESSES
FRANCHISE APPLICATION

INSTRUCTIONS: Thank you for expressing an interest in obtaining rights from Waterloo Turf Franchising Co, LLC (“we” or “Waterloo Turf”) to develop and operate one or more franchised Waterloo Turf Businesses (each a “Waterloo Turf Business”). This Franchise Application (“Application”) should be completed by (1) the business entity that will hold the franchise rights and/or own the Waterloo Turf Business(s) (collectively, referred to as “you” and “your” in this Application) and (2) the business entity that will directly or indirectly control you. Please print your responses clearly, attach all required documents and then execute this Application in the signature page at the end of the Application.

Authorized Signers: Authorized signers for this Franchise Application include the following:

<u>Applicant</u>	<u>Signer (s)</u>
Corporation	President, Vice President or other Authorized Officer
General Partnership	Each General Partner
Limited Partnership	Any General Partner
Limited Liability Company	Managing Member(s), Authorized Member(s), or Manager(s)
Trust	Trustee(s)
Estate	Executor/Executrix, Administrator/Administratrix

When completed and signed, please send your Application to us at the following address: Waterloo Turf Franchising Co, LLC, 11701 Bee Caves Road, Suite 180, Austin, Texas 78734: Tim Lovett and or email at tim@waterlooturf.com.

Your General Information

*Each Business Entity applicant must complete and submit the Organizational Information Checklist attached at the end of this Application.

Business Entity Name: _____

Jurisdiction of Formation: _____

Date of Formation: _____

Business Registration Number: _____

Business Tax ID Number: _____

Current Registered Address: _____

Main Telephone Number: _____

Main E-Mail Address: _____

Mailing Address (if different): _____

***Please attached a list identifying your officers and directors (or equivalent executives) and equity owners (shareholders, partners or members), and the type of interest held and ownership interest of each. If you have more than twenty owners, please list the largest ten owners by name.**

Name and Information for Your Key Contact for Your Waterloo Turf Business

Full Name: _____

National Identification Number: _____

Date of Birth: _____

Citizenship: _____

Current Home Address: _____

Telephone Numbers: Home: _____ Business: _____ Mobile: _____

E-Mail Address: _____

*Please attach to this Application a copy of such persons' foreign passport or national identification card.

Other Background Information

Have you or your key officers or directors ever been convicted of felony or other crime involving moral turpitude?

☐ Yes

☐ No

If you answered "yes," please state the name and address of the court, the case number and the date of conviction, and provide brief description of the charges for which you were convicted:

Are there any civil judgments pending against you or your key officers and directors that have not been satisfied?

☐ Yes

☐ No

If you answered "yes," please state the name and address of the court, the case number and the date and amount of the judgment:

Are you or your key officers and directors currently involved as a defendant in any litigation or arbitration proceeding?

☐ Yes

☐ No

If you answered "yes," please state the name and address of the court, the case number and provide a brief description of the allegations against you and the amount of the claim:

Have you or any other business entity to which you have held a majority ownership interest or exercised control over management ever filed for bankruptcy or sought other similar debt relief?

☐ Yes

☐ No

If you answered "yes," please provide a brief description of the proceedings:

Your Interest in Waterloo Turf Businesses and Your Relevant Experience

Have your key officers or directors been to or purchased items from a Waterloo Turf Business?

☐

Yes

☐

No

If you answered "yes," please identify the Waterloo Turf Business(s) you have visited:

When can your key officers or directors visit us to discuss your interest in acquiring a franchise? _____

Outline, briefly, the experience(s) that would qualify you to develop and operate a business such as a Waterloo Turf Business. A separate presentation may be attached to this Application.

Describe briefly the experience and qualifications for your organization; including corporate officers, partners, and management who would be responsible for Operations, Human Resources/Recruiting, Real Estate, Construction, Marketing and Finance. A separate presentation may be attached to this Application.

Please describe the geographic area (the "territory") in which you are interested in developing and operating one or more Waterloo Turf Businesses? _____

How many Waterloo Turf Business(s) are you interested in developing in the territory? _____

Briefly describe the market for one or more Waterloo Turf Businesses in the territory, including existing or known competitors: _____

Your Anticipated Investment

Please describe range of investment you are interested in making in connection with the development and operation of one or more Waterloo Turf Businesses _____

Please detail the source of funds you plan on investing (including name of financial institution, if applicable, and contact person)? _____

Name of Financial Institution _____

Address _____

City, Country, Zip Code _____

Phone No. _____

Account No. _____

Contact Person _____

DESCRIPTION OF ACCOUNT

What percentage of the funds will be borrowed? _____

On what terms would you borrow the funds? _____

Your Partners and Co-Applicants

Please indicate the names of all the business entities that are not directly or indirectly affiliated with you that will have a direct, indirect or beneficial ownership in the franchise or the entity that will own the franchise. All entities or individuals identified below must also complete an Application.

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Please describe any additional information you would like Waterloo Turf to consider in connection with your Application:

Your Business References

Please provide the requested information concerning five individuals familiar with your business.

References	Brief Description of Affiliation
(1) Name _____ Address _____ _____ City, County, Zip _____ Phone _____	_____ _____ _____ _____ _____
(2) Name _____ Address _____ _____ City, Country, Zip _____ Phone _____	_____ _____ _____ _____ _____
(3) Name _____ Address _____ _____ City, Country, Zip _____ Phone _____	_____ _____ _____ _____ _____
(4) Name _____ Address _____ _____ City, Country, Zip _____ Phone _____	_____ _____ _____ _____ _____
(5) Name _____ Address _____ _____ City, Country, Zip _____ Phone _____	_____ _____ _____ _____ _____

Please identify each financial institution (both in your country of origin and within the United States) holding funds or property on your behalf or on behalf of a business entity in which you hold a beneficial ownership interest. Please add additional pages, as necessary.

Name of Financial Institution _____
 Address _____
 City, Country, Zip Code _____
 Phone No. _____
 Account No. _____

DESCRIPTION OF ACCOUNT

Name of Financial Institution _____
 Address _____
 City, Country, Zip Code _____
 Phone No. _____
 Account No. _____

DESCRIPTION OF ACCOUNT

Name of Financial Institution _____
 Address _____
 City, Country, Zip Code _____
 Phone No. _____
 Account No. _____

DESCRIPTION OF ACCOUNT

Name of Financial Institution _____
 Address _____
 City, Country, Zip Code _____
 Phone No. _____
 Account No. _____

DESCRIPTION OF ACCOUNT

Your Business Interests

Please identify material business enterprises in which you hold a controlling beneficial ownership interest or that is otherwise involved in franchising. The term “business enterprise” includes a corporation, association, partnership, business trust, sole proprietorship, or other business, the shares of which are not listed on a securities exchange or otherwise regularly traded.

Under “legal form of business,” please describe the type of business entity in which you hold an interest (*e.g.*, corporation, partnership, *etc.*)

Name and Address of Business	Legal Form of Business	Nature of Business	% Ownership	Current Value
				\$

[CONTINUED ON THE FOLLOWING PAGES]

Your Financial Statement

Financial Statement Documentation will be required to support these statements.

Financial Condition as of _____, **20**_____

Assets	Dollars	Cents	Liabilities	Dollars	Cents
Cash on Hand			Note Payable to Banks – Unsecured		
Cash in Bank					
Notes Receivable – Secured by Mortgage					
Notes Receivable – Otherwise Secured			Notes Payable – Other than to Banks – Unsecured		
Accounts Receivable – Current			Accounts Payable		
Accounts Receivable – Past Due			Loans on Life Insurance		
U.S. Govt. Obligations			Taxes		
Stocks, Bonds and other Investments			Mortgages or Liens on Real Estate (Itemize Below)		
Include Funds in Savings & Loan Companies			Any Other Indebtedness – Due within One Year		
(Itemize Page 2)					
Cash value –Life Insurance					
Real Estate (Itemize Below)			Any Other Indebtedness – Due Beyond One Year		
Total Assets			Total Liabilities		
			Net Worth (Total Assets – Total Liabilities = Net Worth)		

Schedule of Real Estate Owned

Legal Description & Location	Title in Whose Name	Improved or Unimproved	Appraised Value	Mortgages	Tax Value	Insurance

Contingent Liability of any Kind (if None, Indicate So)

Dollars **Cents**

Upon Notes Or Accounts Receivable Discounted Sold, or Assigned		
As Guarantor For Other on Notes, Bonds, Contacts, Etc.		
Any Other Contingent Liability – Itemized		
Total Contingent Liabilities		

[CONTINUED ON THE FOLLOWING PAGES]

Your Acknowledgments and Representations Regarding this Application

By completing and submitting this Application to Waterloo Turf, you acknowledge and/or represent to Waterloo Turf on your own behalf and behalf of your key officers and directors that:

- Waterloo Turf is relying upon the information provided in this Application and upon the documents you submit in connection with, or in support of, this Application (including all business information, business plans and/or financial statements you provide).
- All information contained in, and documents submitted in connection with, this Application is true, correct and complete as of the date submitted and you understand that any misrepresentation or inaccuracy in the information provided by you will be grounds for termination of any franchise or development rights that Waterloo Turf may grant to you based on the information in this Application. You will promptly inform Waterloo Turf of any material change in any of the information or documents submitted.
- Neither the submission of this Application nor the execution of any definite agreements will violate or conflict with the terms of any other agreement to which you are a party or by which you are bound. You have not been induced by Waterloo Turf to terminate or breach any agreement with respect to any opportunity to develop or operate one or more Waterloo Turf Businesses.
- Waterloo Turf does not enter into, and has not entered into, oral agreements or understandings with respect to (i) the development and operation of one or more Waterloo Turf Businesses, or (ii) matters pertaining to the granting of development and franchise rights for one or more Waterloo Turf Businesses.
- Waterloo Turf has no obligation to grant to you development or franchise rights for one or more Waterloo Turf Businesses and no such rights to develop or operate one or more Waterloo Turf Businesses shall be granted or obtained unless and until definitive Development and/or Franchise Agreements are signed.
- Waterloo Turf reserves the right to approve or reject this Application in its sole discretion, and if Waterloo Turf rejects this Application, Waterloo Turf shall have no liability to you or any other person or entity.
- Any projections and other financial information you provide Waterloo Turf in connection with this Application is voluntarily provided or made by you and has or will have been prepared by you and/or your advisors. Waterloo Turf has not, and will not, participate or provide any assistance to you in connection with the preparation of such projections or other financial information prepared by you. You further acknowledge that Waterloo Turf has not, and will not, ratify, confirm, approve or make any other representations concerning the accuracy of such projections and/or information supplied by you, or that you will attain any particular level of financial performance indicated by such projections or other information. You hereby release and forever discharge Waterloo Turf and its affiliates from any claims or liability arising from or related to the financial information and/or projections that you provide to Waterloo Turf.
- You will indemnify Waterloo Turf and its affiliates and the directors, employees, agents, representatives and assignees thereof and will hold them harmless from all liability, costs, damages and expenses (including legal and accounting fees and expenses) in connection with the breach of any contract or any representation, warranty or information contained in this Application or in connection with Waterloo Turf's reliance on such representations, warranties and information. Waterloo Turf shall have the right independently to take any action it may deem necessary in its sole discretion, to protect and defend itself against any threatened action without regard to the expense, forum or other parties involved. Waterloo Turf shall have sole and exclusive control over the defense of any such action (including the right to be represented by counsel of its choosing) and over the settlement, compromise or other disposition thereof.
- You will keep all oral and written information regarding the Waterloo Turf Business franchise program that you may receive or have access to, in strict confidence for an indefinite time period, and will neither use for your own benefit nor disclose or divulge to any other person any part of such information.
- The terms of this Application will survive any approval or rejection of this Application by Waterloo Turf.

Applicant's Initials _____

Your Authorizations, Consents and Releases regarding this Application and Your Personal Information

- You understand that Waterloo Turf will be requesting information from various companies, financial and other institutions, universities, credit reporting agencies, professional and academic certification law enforcement agencies, former employers, and/or the military, and you hereby authorize such entities to release any information that they may have about you to Waterloo Turf and its agents and designees, and release them from any liability arising out of or related to their release of such information.
- You authorize all financial institutions holding funds or other property on your behalf or on behalf of any business entity in which you hold a beneficial interest, whether or not identified in this Application, to release all records including signature cards, statements and all documentation reflecting the source of deposited funds, whether the funds were received in the form of cash, credit, electronic fund transfer or wire transfer.
- You also authorize Waterloo Turf and its agents and designees to obtain such credit and other civil and criminal investigative reports as they consider necessary to evaluate this Application, and you understand that these reports may contain information about your background, mode of living, character and personal reputation. This authorization is valid for any current and future reports and updates that may be requested, and you agree to execute all additional documents, waivers or releases that might be necessary for Waterloo Turf or its agents and designees to obtain such information or reports.
- You have a right to request a copy of your credit report. Please signify your request below:
 - ☐ You request a copy of your credit report
 - ☐ You do not request a copy of your credit report
- You further authorize Waterloo Turf and its agents and designees to contact individuals or entities identified in this Application, or whose names arise in connection with the civil and criminal investigative reports described above for purposes of obtaining character references and verifying the information contained in this Application. You hereby authorize any individual or entity contacted by Waterloo Turf or its agent or designee to provide all requested information, and release such persons from any liability arising out of or related to their release of such information.

APPLICANT:

Entity Name: _____
By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT F

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552 total pages (pages per section referenced below)

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EXHIBIT G

LIST OF CURRENT FRANCHISEES (as of December 31, 2025)

FRANCHISEES:

***means the Waterloo Turf Business was still in development and not yet open as of December 31, 2025 (if any)**

State	Description of Territory	Franchisee Contact	Franchisee Name	Corporate Address	Phone Number
Arizona					
	Scottsdale 1	James Cira	Cira Capital II LLC	1717 W Parkway Ln, Avondale, AZ 85323	574-575-5759
	Scottsdale 2	James Cira	Cira Capital II LLC	1717 W Parkway Ln, Avondale, AZ 85323	574-575-5759
Colorado					
	Boulder	Joshua Boyett	Summit Turf Co. LLC	907 Camberly Dr , Windsor, CO 80550	(970) 222-5886
	Brighton	Joshua Boyett	Summit Turf Co. LLC	908 Camberly Dr	(970) 222-5886
	Fort Collins 1	Joshua Boyett	Summit Turf Co. LLC	909 Camberly Dr	(970) 222-5886
	Denver 1	*Steven Black	Black Holdings LLC	7570 S Xenia Ct	(720) 219-6216
	Denver 2	*Steven Black	Black Holdings LLC	7571 S Xenia Ct	(720) 219-6216
	Denver 3	*Steven Black	Black Holdings LLC	7572 S Xenia Ct	(720) 219-6216
Florida					
	West Palm Beach 1	*Lou Nanne	Nanne Collective LLC	12609 Solana Bay Cir, Palm Beach Gardens, FL 33412	612 750 0356
	West Palm Beach 2	*Lou Nanne	Nanne Collective LLC	12610 Solana Bay Cir, Palm Beach Gardens, FL 33412	613 750 0356
	West Palm Beach 3	*Lou Nanne	Nanne Collective LLC	12611 Solana Bay Cir, Palm Beach	614 750 0356

State	Description of Territory	Franchisee Contact	Franchisee Name	Corporate Address	Phone Number
				Gardens, FL 33412	
	West Palm Beach 4	*Lou Nanne	Nanne Collective LLC	12612 Solana Bay Cir, Palm Beach Gardens, FL 33412	615 750 0356
	West Palm Beach 5	*Lou Nanne	Nanne Collective LLC	12613 Solana Bay Cir, Palm Beach Gardens, FL 33412	616 750 0356
Georgia					
	Atlanta 1	*Derek Landino	Sandlot Turf Co LLC	100 N Harris St. Buford, Georgia 30518	309 453 3301
	Atlanta 2	*Derek Landino	Sandlot Turf Co LLC	101 N Harris St. Buford, Georgia 30518	310 453 3301
	Atlanta 3	*Derek Landino	Sandlot Turf Co LLC	102 N Harris St. Buford, Georgia 30518	311 453 3301
	Atlanta 4	*Derek Landino	Sandlot Turf Co LLC	103 N Harris St. Buford, Georgia 30518	312 453 3301
	Atlanta 5	*Derek Landino	Sandlot Turf Co LLC	104 N Harris St. Buford, Georgia 30518	313 453 3301
	Atlanta 6	*Derek Landino	Sandlot Turf Co LLC	105 N Harris St. Buford, Georgia 30518	314 453 3301
Idaho					
	Boise 1	Hunter Knowles	Meno Enterprises, LLC	1448 N Sarajevo ave, eagle ID 83616	208 297 9396
	Boise 2	Hunter Knowles	Meno Enterprises, LLC	1449 N Sarajevo ave, eagle ID 83616	209 297 9396
Tennessee				1450 N Sarajevo ave, eagle ID 83616	

State	Description of Territory	Franchisee Contact	Franchisee Name	Corporate Address	Phone Number
	South Nashville 1	Ken Trager	Nashville Turf Pros, LLC	1451 N Sarajevo ave, eagle ID 83616	303 513 4583
	South Nashville 2	Ken Trager	Nashville Turf Pros, LLC	1452 N Sarajevo ave, eagle ID 83616	304 513 4583
	South Nashville 3	Ken Trager	Nashville Turf Pros, LLC	1453 N Sarajevo ave, eagle ID 83616	305 513 4583
Texas					
	Fort Worth 1	Colter Castleman	Castleman Ventures LLC	10508 Oates Branch Lane, Fort Worth, TX 76126	817-704-2867
	Fort Worth 2	Colter Castleman	Castleman Ventures LLC	10508 Oates Branch Lane, Fort Worth, TX 76126	817-704-2867
	Fort Worth 3	Colter Castleman	Castleman Ventures LLC	10508 Oates Branch Lane, Fort Worth, TX 76126	817-704-2867
	Fort Worth 4	Colter Castleman	Castleman Ventures LLC	10508 Oates Branch Lane, Fort Worth, TX 76126	817-704-2867
	Grapevine/Keller	*Colter Castleman	Castleman Ventures LLC	10509 Oates Branch Lane, Fort Worth, TX 76126	817-704-2868
	Houston 1	Richard Breeding & Brian Beers	Prenlyn Turf TX LLC	482 Norristown Rd Suite 111 Blue Bell, PA 19422	940-447-5513
	Houston 2	Richard Breeding & Brian Beers	Prenlyn Turf TX LLC	482 Norristown Rd Suite 111 Blue Bell, PA 19422	940-447-5513

State	Description of Territory	Franchisee Contact	Franchisee Name	Corporate Address	Phone Number
	The Woodlands 1	Richard Breeding & Brian Beers	Prenlyn Turf TX LLC	482 Norristown Rd Suite 111 Blue Bell, PA 19422	940-447-5513
	The Woodlands 2	Richard Breeding & Brian Beers	Prenlyn Turf TX LLC	482 Norristown Rd Suite 111 Blue Bell, PA 19422	940-447-5513
	The Woodlands 3	Richard Breeding & Brian Beers	Prenlyn Turf TX LLC	482 Norristown Rd Suite 111 Blue Bell, PA 19422	940-447-5513
	Dallas 1	Richard Breeding & Brian Beers	Prenlyn Turf TX LLC	482 Norristown Rd Suite 111 Blue Bell, PA 19422	940-447-5513
	Dallas 2	Richard Breeding & Brian Beers	Prenlyn Turf TX LLC	482 Norristown Rd Suite 111 Blue Bell, PA 19422	940-447-5513
	Dallas 3	Richard Breeding & Brian Beers	Prenlyn Turf TX LLC	482 Norristown Rd Suite 111 Blue Bell, PA 19422	940-447-5513
	Dallas 4	Richard Breeding & Brian Beers	Prenlyn Turf TX LLC	482 Norristown Rd Suite 111 Blue Bell, PA 19422	940-447-5513
	Dallas 5	Richard Breeding & Brian Beers	Prenlyn Turf TX LLC	482 Norristown Rd Suite 111 Blue Bell, PA 19422	940-447-5513
	Waco	Stephen Tong	CENTRAL TEXAS TURF LLC	928 N 10TH ST	(254)265-4303

State	Description of Territory	Franchisee Contact	Franchisee Name	Corporate Address	Phone Number
	College Station	Stephen Tong	CENTRAL TEXAS TURF LLC	929 N 10TH ST	(254)265-4303
	East Dallas 1	*Zephrein Allen	Z2A Enterprizes LLC	5900 Balcones Dr STE 100, Austin, TX 78731	(972) 802-9846
	East Dallas 2	*Zephrein Allen	Z2A Enterprizes LLC	5901 Balcones Dr STE 100, Austin, TX 78731	(972) 802-9846
	East Dallas 3	*Zephrein Allen	Z2A Enterprizes LLC	5902 Balcones Dr STE 100, Austin, TX 78731	(972) 802-9846
	East Dallas 4	*Zephrein Allen	Z2A Enterprizes LLC	5903 Balcones Dr STE 100, Austin, TX 78731	(972) 802-9846

FRANCHISEES THAT HAVE SIGNED DEVELOPMENT AGREEMENTS:

None

EXHIBIT H

LIST OF FORMER FRANCHISEES (as of December 31, 2025)

State	Description of Territory	Franchisee Contact and Name	Corporate Address	Phone Number	Number of Territories	Reason
Texas						
	Dallas 1, 2, 3, 4, and 5	Tod Gibbs TOD Investments, LLC	10216 Carry Back Cir Dallas, Texas 75229	954-253- 6050	5	Transfer

EXHIBIT I
FINANCIAL STATEMENTS

Waterloo Turf Franchising Co., LLC

(a Texas Limited Liability Company)

Audited Financial Statements

For the years ended December 31, 2025 and 2024

Audited by



Alice.CPA LLC

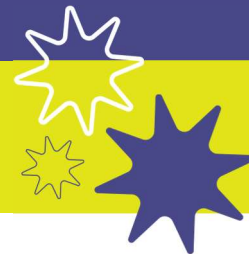
A New Jersey CPA Company

Financial Statements

Waterloo Turf Franchising Co., LLC

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Independent Auditor's Report

April 14, 2026
To the Shareholders of Waterloo Turf Franchising Co., LLC
Austin, Texas

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Waterloo Turf Franchising Co., LLC, which comprise the balance sheet as of December 31, 2025 and December 31, 2024, and the related statements of income, changes in equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the standalone financial statements referred to above present fairly, in all material respects, the financial position of Waterloo Turf Franchising Co., LLC as of December 31, 2025 and December 31, 2024, 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 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 Waterloo Turf Franchising Co., 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 standalone 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 standalone financial statements that are free from material misstatement, whether due to fraud or error. In preparing the standalone financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Waterloo Turf Franchising Co., LLC's ability to continue as a going concern for 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 standalone 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.



As part of an audit in accordance with generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- 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 Waterloo Turf Franchising Co., LLC's internal control.
- 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 standalone financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Waterloo Turf Franchising Co., 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 and significant audit findings, including any significant deficiencies or material weaknesses in internal control that we identify during our audit.

Alice CPA LLC

Alice.CPA LLC
Robbinsville, New Jersey
April 14, 2026



Waterloo Turf Franchising Co., LLC
BALANCE SHEETS
As of December 31, 2025 and 2024
(Audited)

ASSETS	2025	2024
Current Assets		
Cash and cash equivalents	\$ 273,946	\$ 547,203
Accounts receivable	183,261	-
Prepaid expense	8,349	1,301
Total Current Assets	465,556	548,504
Deferred expenses, long-term	426,466	-
Total Assets	\$ 892,022	\$548,504
LIABILITIES AND MEMBER'S EQUITY		
Current Liabilities		
Credit cards	\$ 8,909	\$ 2,910
Accrued expenses	13,977	8,149
Deferred revenue	179,070	-
Total Current Liabilities	201,956	11,059
Long-Term Liabilities		
Due to related party, long-term	600,000	600,000
Deferred revenue, long-term	1,478,855	-
Total Long-Term Liabilities	2,078,855	600,000
Total Liabilities	2,280,811	611,059
Member's Equity		
Member's capital	100	100
Accumulated deficit	(1,388,888)	(62,655)
Total Member's Equity	(1,388,788)	(62,555)
Total Liabilities and Member's Equity	\$ 892,022	\$548,504

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

Waterloo Turf Franchising Co., LLC
STATEMENTS OF OPERATIONS
For the years ended December 31, 2025 and December 31, 2024
(Audited)

	<u>2025</u>	<u>2024</u>
Revenues	\$ 328,774	\$ -
Operating Expenses		
Advertising and marketing	349,627	27,460
Salaries and wages	927,886	18,273
Professional services	148,704	14,396
General and administrative	221,926	2,526
Total Operating Expenses	<u>1,648,143</u>	<u>62,655</u>
Other Income/(Expense)		
Other income/(expense)	(6,864)	-
Interest expense	-	-
Total Other income/(Expense)	<u>(6,864)</u>	<u>-</u>
Net Loss	<u><u>\$ (1,326,233)</u></u>	<u><u>\$ (62,655)</u></u>

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

Waterloo Turf Franchising Co., LLC
STATEMENTS OF CHANGES IN MEMBER'S EQUITY
For the years ended December 31, 2025 and December 31, 2024
(Audited)

	Member's Capital	Accumulated Deficit	Total Member's Equity
Balance as of August 8, 2024 ("Inception")	\$ -	\$ -	\$ -
Capital contribution	100	-	100
Net loss	-	(62,655)	(62,655)
Balance as of December 31, 2024	100	(62,655)	(62,555)
Net loss	-	(1,326,233)	(1,326,233)
Balance as of December 31, 2025	\$ 100	\$ (1,388,888)	\$ (1,388,788)

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

Waterloo Turf Franchising Co., LLC
STATEMENTS OF CASH FLOWS
For the years ended December 31, 2025 and December 31, 2024
(Audited)

	2025	2024
Cash Flows from Operating Activities		
Net Loss	\$ (1,326,233)	\$ (62,655)
Adjustments to reconcile net loss to net cash used in operations:		
Amortization	43,500	-
Changes in operating assets and liabilities:		
Accounts receivable	(183,261)	-
Prepaid expenses	(7,048)	(1,301)
Credit cards	5,999	2,910
Accrued expenses	5,828	8,149
Deferred revenue	1,657,925	-
Deferred expenses	(469,966)	-
Net cash used in operating activities	(273,256)	(52,897)
Cash Flows from Financing Activities		
Proceeds from capital contribution	-	100
Due to related party	-	600,000
Net cash provided by financing activities	-	600,100
Net change in cash and cash equivalents	(273,256)	547,203
Cash and cash equivalents at beginning of year	547,203	-
Cash and cash equivalents at end of year	\$ 273,947	\$ 547,203
Supplemental information:		
Interest paid	-	-

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

WATERLOO TURF FRANCHISING CO., LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 and 2024
(AUDITED)

NOTE 1 – NATURE OF OPERATIONS

Waterloo Turf Franchising Co., LLC (which may be referred to as the “Company”, “we,” “us,” or “our”) is a Texas limited liability company formed on August 8, 2024. The Company operates as a franchisor, offering franchise territories to independent operators and providing ongoing support services, including training, marketing, technology, and operational assistance. The Company is 100% owned by Waterloo Turf Franchising, Inc. (the “Parent”).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accounting and reporting policies of the Company conform to accounting principles generally accepted in the United States of America (“US GAAP”). Any reference in these notes to applicable guidance is meant to refer to U.S. GAAP as found in the Accounting Standards Codification (“ASC”) and Accounting Standards Updates (“ASU”) of the Financial Accounting Standards Board (“FASB”).

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and footnotes thereto. Actual results could materially differ from these estimates. It is reasonably possible that changes in estimates will occur in the near term.

Significant estimates inherent in the preparation of the accompanying financial statements include valuation of provision for refunds and chargebacks, equity transactions and contingencies.

Risks and Uncertainties

The Company has a limited operating history. The Company's business and operations are sensitive to general business and economic conditions in the United States. A host of factors beyond the Company's control could cause fluctuations in these conditions. Adverse conditions may include recession, downturn or otherwise, local competition or changes in consumer taste. These adverse conditions could affect the Company's financial condition and the results of its operations.

Continuing Operations

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities in the normal course of business. The Company commenced operations in August 2024 and incurred net losses associated with the startup of \$1,326,234 and \$62,655 for the years ended December 31, 2025 and 2024, respectively. These losses were funded from investor loans and contributions to the Company. The Company anticipates future losses will be incurred as they continue to expand their franchise program but that the Company will have adequate cash flow to meet commitments through the sale of new franchise agreements, income from franchise operations and capital provided by the Parent in the form of either loans or contributions. At March 31, 2026, the Company held approximately \$671,000 of available cash and the Parent held \$521,000 of available cash. Management believes that due to these factors the Company will be able to meet its obligations as they become due within one year from the date the financial statements are issued and therefore the financial statements do not include any adjustments that might be necessary if the Company is not able to continue as a going concern.

WATERLOO TURF FRANCHISING CO., LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 and 2024
(AUDITED)

Cash and Cash Equivalents

Cash consists of funds held in the Company's checking and savings accounts. The Company has cash amounting to \$273,946 and \$547,203 as of December 31, 2025 and 2024, respectively.

The Company considers short-term, highly liquid investments with original maturities of three months or less at the time of purchase to be cash equivalents. The Company has no cash equivalents as of December 31, 2025 and 2024.

Accounts Receivable

Accounts receivable represent amounts due from franchisees and other customers in the ordinary course of business. Receivables are primarily related to franchise fees, training fees, marketing fees, royalties, and other ancillary services.

Accounts receivable are recorded at the invoiced amount and do not bear interest. The Company evaluates the collectability of receivables on an ongoing basis and records an allowance for expected credit losses when necessary, based on historical collection experience, current conditions, and reasonable and supportable forecasts.

The Company's receivables are generally short-term in nature and are collected through electronic payments, including wire transfers and ACH. Management monitors receivables on a regular basis, and amounts are typically collected in a timely manner. As of the reporting dates, management expects all outstanding receivables to be fully collectible; accordingly, no allowance for doubtful accounts has been recorded.

As of December 31, 2025 and 2024, the Company's outstanding accounts receivable amounted to \$183,261 and \$0, respectively.

Prepaid Expenses

Prepaid expenses consist of various payments that the Company has made in advance for goods or services to be received in the future. These prepaid expenses include licenses, insurance, and services or other contracts requiring upfront payments. The Company has prepaid expenses amounting to \$8,349 and \$1,301 as of December 31, 2025 and 2024, respectively.

Fair Value Measurements

US GAAP defines fair value as the price that would be received to sell an asset or be paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price) and such principles also establish a fair value hierarchy that prioritizes the inputs used to measure fair value using the following definitions (from highest to lowest priority):

- Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 – Observable inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data by correlation or other means.

WATERLOO TURF FRANCHISING CO., LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 and 2024
(AUDITED)

- Level 3 – Prices or valuation techniques requiring inputs that are both significant to the fair value measurement and unobservable.

There were no assets or liabilities requiring fair value measurement as of December 31, 2025 and 2024.

Revenue Recognition

The Company generates revenue from franchise-related activities, including franchise fees, training and onboarding services, marketing services, royalties, technology fees, merchandise sales, and vendor sponsorships. Revenue is recognized in accordance with ASC 606, *Revenue from Contracts with Customers*, when control of promised goods or services is transferred to customers in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services.

- **Franchise Fees** - Initial franchise fees are non-refundable and relate to the grant of franchise rights and ongoing access to the Company's brand, systems, and support services over the contractual term. These performance obligations are satisfied over time, as the franchisee simultaneously receives and consumes the benefits of the Company's services. Accordingly, initial franchise fees are recognized on a straight-line basis over the franchise term of ten (10) years. For the years ended December 31, 2025 and 2024, the Company recognized franchise fee revenue of \$87,775 and \$0, respectively.
- **Training and Opening Support Fees** - Training and opening support fees are recognized when the related services are performed, which is generally at a point in time upon completion of the training sessions or support services. For the years ended December 31, 2025 and 2024, the Company recognized training fee revenue of \$54,060 and \$0, respectively.
- **Marketing Development Fees** - Marketing development fees are recognized when the related marketing setup and launch services are completed, which is generally at a point in time. For the years ended December 31, 2025 and 2024, the Company recognized marketing development fee revenue of \$36,000 and \$0, respectively.
- **Royalties and Brand Fund Royalties** - Royalties and brand fund contributions are recognized over time as the underlying franchisee sales occur, based on a percentage of franchisee cash receipts. Revenue is recognized as the franchisee generates sales, consistent with the usage-based royalty exception under ASC 606. For the years ended December 31, 2025 and 2024, the Company recognized royalty revenue of \$84,183 and \$0, respectively, and brand fund royalty revenue of \$28,067.51 and \$0, respectively.
- **Technology Fees** - Monthly technology fees are recognized over time on a straight-line basis over the period the services are provided, as the Company satisfies its obligation to provide ongoing access to technology platforms. For the years ended December 31, 2025 and 2024, the Company recognized technology fee revenue of \$42,862 and \$0, respectively.
- **Merchandise Sales** - Revenue from merchandise sales is recognized at a point in time when control of the goods transfers to the franchisee, typically upon delivery. For the years ended December 31, 2025 and 2024, the Company recognized merchandise sales of \$10,826 and \$0, respectively.

WATERLOO TURF FRANCHISING CO., LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 and 2024
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- **Vendor Sponsorships** - Revenue from vendor sponsorships is recognized when the related event or service obligation is fulfilled. For the years ended December 31, 2025 and 2024, the Company recognized vendor sponsorship revenue of \$6,000 and \$0, respectively.

Deferred Revenues and Deferred Franchise Expenses

Deferred revenue represents upfront franchise fees collected from franchisees for the right to operate under the Company's brand and system over the contractual franchise term. These fees are non-refundable and are initially recorded as deferred revenue upon receipt.

The Company recognizes franchise fee revenue on a straight-line basis over the franchise term of ten years, which reflects the continuous transfer of access to the Company's intellectual property, brand, and support services over time.

In the event of franchise transfers, the Company does not treat the transaction as a new contract when the transferee assumes the existing franchise agreement. Accordingly, deferred revenue continues to be recognized over the remaining original contractual term, with no reset to the amortization period.

As of December 31, 2025 and 2024, the current portion of deferred revenue amounted to \$179,070 and \$0, respectively while noncurrent portion of deferred revenue amounted to \$1,478,855 and \$0, respectively.

The Company capitalizes certain incremental costs incurred to obtain franchise agreements, primarily consisting of sales commissions and related direct costs, in accordance with ASC 340-40 Other Assets and Deferred Costs—Contracts with Customers. These costs are recorded as deferred franchise costs within other assets on the accompanying balance sheets. Deferred franchise costs are amortized on a straight-line basis over the expected period of benefit, which corresponds to the term of the related franchise agreement, typically ten years. Amortization expense is included in selling, general, and administrative expenses in the accompanying statements of operations. The Company periodically evaluates deferred franchise costs for impairment in accordance with ASC 360 Property, Plant, and Equipment. If the carrying amount of the asset exceeds its expected recoverable value, an impairment loss is recognized. As of December 31, 2025, the total deferred franchise cost was \$426,466. The Company's policy is to classify the net deferred franchise cost as a long-term asset.

Income Taxes

The Company intends to be taxed as a corporation for federal income tax purposes and will make an election to be treated as a corporation under Subchapter C of the Code. The Company will make an election on IRS Form 8832 for each Series to be treated as an association taxable as a corporation under Subchapter C of the Code and not as a partnership under Subchapter K of the Code.

The Company did not recognize any income tax expense for the years ended December 31, 2025 and 2024.

Recent Accounting Pronouncements

The FASB issues ASUs to amend the authoritative literature in ASC. There have been a number of ASUs to date that amend the original text of ASC. Management believes that those issued to date

WATERLOO TURF FRANCHISING CO., LLC
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either (i) provide supplemental guidance, (ii) are technical corrections, (iii) are not applicable to us or (iv) are not expected to have a significant impact on our financial statements.

NOTE 3 – DUE TO RELATED PARTY

In 2024, the Company entered into a promissory note for \$600,000 with the Parent. The loan is made on a no-term and no interest basis. The Company may repay the loan at its discretion without penalty. As of December 31, 2025 and 2024, the balance of the due to the Parent was \$600,000. The loan is classified as long-term based on the Parent's intent not to demand repayment within the next twelve months.

NOTE 4 – MEMBER'S EQUITY

The Company is a limited liability company and is wholly owned by Waterloo Turf Franchising, Inc. As of December 31, 2025 and 2024, all issued and outstanding membership interests of the Company are held by its sole member.

Member's equity consists of capital contributions made by the Parent adjusted for the Company's accumulated deficit and any distributions made to the member.

The Company has a single class of membership interest, and all profits, losses, and distributions are allocated to the sole member in accordance with the operating agreement.

NOTE 5 – COMMITMENTS AND CONTINGENCIES

Litigation

The Company is not currently involved with and does not know of any pending or threatening litigation against the Company.

NOTE 6 – SUBSEQUENT EVENTS

Management's Evaluation

Management has evaluated subsequent events through April 14, 2026, the date the financial statements were available to be issued. Based on this evaluation, no material subsequent events were identified which require adjustment or disclosure in the financial statements.

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

Waterloo Turf Franchising Co, LLC

Opening Balance Sheet

As of November 30, 2024

		TOTAL
ASSETS		
Current Assets		
Bank Accounts		
1000 Hillcrest Bank		600,100.00
Total Bank Accounts		\$600,100.00
Total Current Assets		\$600,100.00
TOTAL ASSETS		\$600,100.00
LIABILITIES AND EQUITY		
Liabilities		
Long-Term Liabilities		
2600 Long-Term Loan Payable		600,000.00
Total Long-Term Liabilities		\$600,000.00
Total Liabilities		\$600,000.00
Equity		
3100 Retained Earnings		
3200 Opening Balance Equity		100.00
Net Income		0.00
Total Equity		\$100.00
TOTAL LIABILITIES AND EQUITY		\$600,100.00

EXHIBIT J

STATE ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT

ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT
FOR THE FRANCHISE REGISTRATION STATES

Required NASAA Statement. The following only applies in *California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin*:

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.

**ADDENDUM TO WATERLOO TURF FRANCHISING CO, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF CALIFORNIA**

1. **The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.**

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

Neither the franchisor nor any person, or franchise broker identified in Item 2 of the Disclosure Document is subject to any current effective order of any national securities association or national securities exchange as defined in the Securities Exchange Act of 1934, U.S.C.A. 78a et seq., suspending or expelling these persons from membership in the association or exchange.

3. Item 5 of this Disclosure Document is amended by adding the following:

Based upon our financial condition, the California Department of Financial Protection and Innovation has imposed a fee deferral requirement. Accordingly, you will not be required to pay the initial development fees or franchise fees due to us and/or our affiliates until we have completed all our pre-opening obligations to you and you begin operating your franchise business.

4. The following is added to Item 17 of the Disclosure Document:

California Business and Professions Code sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

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

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

Certain liquidated damages clauses are unenforceable under California Civil Code Section 1671.

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

The Franchise Agreement requires binding arbitration. The arbitration will occur at Houston, Texas. This provision may not be enforceable under California law.

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

5. **THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT AT LEAST 14 DAYS PRIOR TO EXECUTION OF THE AGREEMENT.**

6. The California Corporations Code, Section 31125, requires that we give you a Disclosure Document, approved by the Department of Financial Protection and Innovation, before solicitation of a proposed material modification of your Franchise Agreement.

7. OUR WEBSITE (www.waterlooturf.com) HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

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

9. Franchisor and its affiliates reserve the right to establish alternative channels of distribution in the franchise's trade area without compensation.

10. Franchisees will not receive an exclusive territory.

11. Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:

(a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.

(b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.

(c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.

(d) Violations of any provision of this division.

12. 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.

**ADDENDUM TO WATERLOO TURF FRANCHISING CO, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF HAWAII**

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

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

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

**ADDENDUM TO WATERLOO TURF FRANCHISING CO, LLC
DISCLOSURE DOCUMENT
FOR THE STATE OF ILLINOIS**

Illinois law governs the Franchise Agreement and Development Agreement.

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

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

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act **or any other law of Illinois** is void.

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 franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Payment of the Initial Franchise Fee, any Artificial Turf Maintenance Services fee, the Initial Training Fee, the Opening Support Fee and the Marketing Development Fee under the Franchise Agreement and payment of the Development Fee under the Development Agreement will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced business operations. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

**ADDENDUM TO WATERLOO TURF FRANCHISING CO, LLC
DISCLOSURE DOCUMENT
FOR THE STATE OF MARYLAND**

1. Item 17, under the Summary column of parts (c) and (m), is amended to include the following paragraph:

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

2. Item 17, under the Summary column of part (h), is amended to include the following sentence:

A provision in the Franchise Agreement that provides for termination on your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

3. Item 17, under the Summary column of part (v), is modified to include the words “A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.”

4. Item 17 is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

5. Item 17 is amended to state that the franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

6. 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..

**ADDENDUM TO WATERLOO TURF FRANCHISING CO, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF MICHIGAN**

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

(A) A PROHIBITION ON THE RIGHT OF A FRANCHISEE TO JOIN AN ASSOCIATION OF FRANCHISEES.

(B) A REQUIREMENT THAT A FRANCHISEE ASSENT TO A RELEASE, ASSIGNMENT, NOVATION, WAIVER, OR ESTOPPEL WHICH DEPRIVES A FRANCHISEE OF RIGHTS AND PROTECTIONS PROVIDED IN THIS ACT. THIS SHALL NOT PRECLUDE A FRANCHISEE, AFTER ENTERING INTO A FRANCHISE AGREEMENT, FROM SETTling ANY AND ALL CLAIMS.

(C) A PROVISION THAT PERMITS A FRANCHISOR TO TERMINATE A FRANCHISE PRIOR TO THE EXPIRATION OF ITS TERM EXCEPT FOR GOOD CAUSE. GOOD CAUSE SHALL INCLUDE THE FAILURE OF THE FRANCHISEE TO COMPLY WITH ANY LAWFUL PROVISION OF THE FRANCHISE AGREEMENT AND TO CURE SUCH FAILURE AFTER BEING GIVEN WRITTEN NOTICE THEREOF AND A REASONABLE OPPORTUNITY, WHICH IN NO EVENT NEED BE MORE THAN 30 DAYS, TO CURE SUCH FAILURE.

(D) A PROVISION THAT PERMITS A FRANCHISOR TO REFUSE TO RENEW A FRANCHISE WITHOUT FAIRLY COMPENSATING THE FRANCHISEE BY REPURCHASE OR OTHER MEANS FOR THE FAIR MARKET VALUE AT THE TIME OF EXPIRATION, OF THE FRANCHISEE'S INVENTORY, SUPPLIES, EQUIPMENT, FIXTURES, AND FURNISHINGS. PERSONALIZED MATERIALS WHICH HAVE NO VALUE TO THE FRANCHISOR AND INVENTORY, SUPPLIES, EQUIPMENT, FIXTURES, AND FURNISHINGS NOT REASONABLY REQUIRED IN THE CONDUCT OF THE FRANCHISE BUSINESS ARE NOT SUBJECT TO COMPENSATION. THIS SUBSECTION APPLIES ONLY IF: (i) THE TERM OF THE FRANCHISE IS LESS THAN 5 YEARS; AND (ii) THE FRANCHISEE IS PROHIBITED BY THE FRANCHISE OR OTHER AGREEMENT FROM CONTINUING TO CONDUCT SUBSTANTIALLY THE SAME BUSINESS UNDER ANOTHER TRADEMARK, SERVICE MARK, TRADE NAME, LOGOTYPE, ADVERTISING, OR OTHER COMMERCIAL SYMBOL IN THE SAME AREA SUBSEQUENT TO THE EXPIRATION OF THE FRANCHISE OR THE FRANCHISEE DOES NOT RECEIVE AT LEAST 6 MONTHS ADVANCE NOTICE OF FRANCHISOR'S INTENT NOT TO RENEW THE FRANCHISE.

(E) A PROVISION THAT PERMITS THE FRANCHISOR TO REFUSE TO RENEW A FRANCHISE ON TERMS GENERALLY AVAILABLE TO OTHER FRANCHISEES OF THE SAME CLASS OR TYPE UNDER SIMILAR CIRCUMSTANCES. THIS SECTION DOES NOT REQUIRE A RENEWAL PROVISION.

(F) A PROVISION REQUIRING THAT ARBITRATION OR LITIGATION BE CONDUCTED OUTSIDE THIS STATE. THIS SHALL NOT PRECLUDE THE FRANCHISEE FROM ENTERING INTO AN AGREEMENT, AT THE TIME OF ARBITRATION, TO CONDUCT ARBITRATION AT A LOCATION OUTSIDE THIS STATE.

(G) A PROVISION WHICH PERMITS A FRANCHISOR TO REFUSE TO PERMIT A TRANSFER OF OWNERSHIP OF A FRANCHISE, EXCEPT FOR GOOD CAUSE. THIS SUBDIVISION DOES NOT PREVENT A FRANCHISOR FROM EXERCISING A RIGHT OF FIRST REFUSAL TO PURCHASE THE FRANCHISE. GOOD CAUSE SHALL INCLUDE, BUT IS NOT LIMITED TO:

(i) THE FAILURE OF THE PROPOSED TRANSFEREE TO MEET THE FRANCHISOR'S THEN CURRENT REASONABLE QUALIFICATIONS OR STANDARDS.

(ii) THE FACT THAT THE PROPOSED TRANSFEREE IS A COMPETITOR OF THE FRANCHISOR OR SUBFRANCHISOR.

(iii) THE UNWILLINGNESS OF THE PROPOSED TRANSFEREE TO AGREE IN WRITING TO COMPLY WITH ALL LAWFUL OBLIGATIONS.

(iv) THE FAILURE OF THE FRANCHISEE OR PROPOSED TRANSFEREE TO PAY ANY SUMS OWING TO THE FRANCHISOR OR TO CURE ANY DEFAULT IN THE FRANCHISE AGREEMENT EXISTING AT THE TIME OF THE PROPOSED TRANSFER.

(H) A PROVISION THAT REQUIRES THE FRANCHISEE TO RESELL TO THE FRANCHISOR ITEMS THAT ARE NOT UNIQUELY IDENTIFIED WITH THE FRANCHISOR. THIS SUBDIVISION DOES NOT PROHIBIT A PROVISION THAT GRANTS TO A FRANCHISOR A RIGHT OF FIRST REFUSAL TO PURCHASE THE ASSETS OF A FRANCHISE ON THE SAME TERMS AND CONDITIONS AS A BONA FIDE THIRD PARTY WILLING AND ABLE TO PURCHASE THOSE ASSETS, NOR DOES THIS SUBDIVISION PROHIBIT A PROVISION THAT GRANTS THE FRANCHISOR THE RIGHT TO ACQUIRE THE ASSETS OF A FRANCHISE FOR THE MARKET OR APPRAISED VALUE OF SUCH ASSETS IF THE FRANCHISEE HAS BREACHED THE LAWFUL PROVISIONS OF THE FRANCHISE AGREEMENT AND HAS FAILED TO CURE THE BREACH IN THE MANNER PROVIDED IN SUBDIVISION (C).

(I) A PROVISION WHICH PERMITS THE FRANCHISOR TO DIRECTLY OR INDIRECTLY CONVEY, ASSIGN, OR OTHERWISE TRANSFER ITS OBLIGATIONS TO FULFILL CONTRACTUAL OBLIGATIONS TO THE FRANCHISEE UNLESS PROVISION HAS BEEN MADE FOR PROVIDING THE REQUIRED CONTRACTUAL SERVICES.

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

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

**ADDENDUM TO WATERLOO TURF FRANCHISING CO, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF MINNESOTA**

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

1. The following is added to Item 17 of the Disclosure Document:

Under Minnesota law and except in certain specified cases, we must give you 90 days' notice of termination with 60 days to cure. We also must give you at least 180 days' notice of its intention not to renew a franchise, and sufficient opportunity to recover the fair market value of the franchise as a going concern. To the extent that the Agreement is inconsistent with the Minnesota law, the Minnesota law will control.

To the extent that any condition, stipulation or provision contained in the Agreement (including any choice of law provision) purports to bind any person who, at the time of acquiring a franchise is a resident of Minnesota, or, in the case of a partnership or corporation, organized or incorporated under the laws of Minnesota, or purporting to bind a person acquiring any franchise to be operated in Minnesota to waive compliance with the Minnesota Franchises law, such condition, stipulation or provision may be void and unenforceable under the nonwaiver provision of the Minnesota Franchises Law.

Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. Specifically, we cannot require you to consent to us obtaining injunctive relief, however, we may seek such relief through the court system.

Minn. Rule 2860.4400J prohibits us from requiring you to assent to a general release. To the extent that the Agreement requires you to sign a general release as a condition of renewal or transfer, the Agreement will be considered amended to the extent necessary to comply with Minnesota law.

The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota

considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.

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.

**ADDENDUM TO WATERLOO TURF FRANCHISING CO, LLC
DISCLOSURE DOCUMENT
FOR THE STATE OF NEW YORK**

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR RESOURCES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

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

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

B. No such party has pending actions other than routine litigation incidental to the business that is significant in the context of the number of franchisees and the size, nature, or financial condition of the franchise system or its business operations. C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten years immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

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

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

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "Requirements for a

franchisee to renew or extend,” and Item 17(m), entitled “Conditions for franchisor approval of transfer”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; this proviso intends that the nonwaiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled “Termination by a franchisee”: “You may terminate the agreement on any grounds available by law.”
5. The following is added to the end of the “Summary” sections of Item 17(v), titled “Choice of forum,” and Item 17(w), titled “Choice of law”:

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

6. Franchise Questionnaires and Acknowledgements--No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

**ADDENDUM TO WATERLOO TURF FRANCHISING CO, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF RHODE ISLAND**

The following language will apply to Disclosure Documents issued in Rhode Island and be attached by addendum to Agreements issued in the state of Rhode Island:

If any of the provisions of this disclosure document (Risk Factor 1., Cover Page, and Item 17) are inconsistent with §19-28.1-14 of the Rhode Island Franchise Investment Act, which states that a provision in an Agreement restricting jurisdiction or venue to a forum outside Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act, then said Rhode Island law will apply.

**ADDENDUM TO WATERLOO TURF FRANCHISING CO, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF VIRGINIA**

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, Item 17 of the franchise disclosure document for use in the Commonwealth of Virginia is amended as follows:

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

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

Any securities offered or sold by the franchisee as part of the Waterloo Turf’s franchise must either be registered or exempt from registration under Section 13.1-514 of the Virginia Securities Act.

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

Under subsection D of § 13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.

Under subdivision A 4 of § 13.1-563 of the Virginia Retail Franchising Act (“Act”), it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of § 13.1-563 of the Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale.

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the development agreement and/or franchise agreement and you begin operating your first franchise business.

Washington Addendum to the Franchise Disclosure Document and All Related Agreements

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

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.
8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.
9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

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

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

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

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

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

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

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

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

19. In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under the franchise agreement or offering circular, and (b) is open for business. Because franchisor has material pre-opening obligations with respect to each franchised business Franchisee opens under the Development Agreement, payment of the franchise fee will be released proportionally with respect to each franchise outlet opened and until franchisor has met all its pre-opening obligations under the Development Agreement and Franchisee is open for business with respect to each such location.

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	Pending
Hawaii	Not Applicable
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

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

EXHIBIT K

RECEIPTS

ITEM 23

RECEIPT (Your copy to keep)

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

If Waterloo Turf Franchising Co, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that Waterloo Turf Franchising Co, LLC give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or make any consideration that relates to the franchise relationship. Connecticut and Michigan require that Waterloo Turf Franchising Co, LLC give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. Iowa and Maine require that Waterloo Turf Franchising Co, LLC give you the disclosure document at the earlier of the first personal meeting or 14 days before you sign a binding agreement with, or make a payment to, us in connection with the proposed franchise sale.

If Waterloo Turf Franchising Co, LLC does not deliver this disclosure document on time, or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20590 or the appropriate state agency listed in Exhibit A.

Date of Issuance: April 27, 2026

The name and address of our registered agent authorized to receive service of process is shown in Exhibit A.

The franchise sellers are Tim Lovett (Y/N), Lance Ingram (Y/N), Taylor Blom (Y/N), Dr. Ben Peays (Y/N) (circle as applicable) (each can be reached 11701 Bee Caves Road, Suite 180, Austin, Texas 78734 and 512-343-0938) and _____.

I have received a Disclosure Document dated April 27, 2026 that included the following Exhibits:

- A – State Administrators/Agents for Service of Process
- B – Franchise Agreement (including State Addenda)
- C – Development Agreement (including State Addenda)
- D – Applicant Confidentiality Agreement and Authorization
- E – Franchise Application
- F – Table of Contents of Brand Standards Manual
- G – List of Current Franchisees
- H – List of Former Franchisees
- I – Financial Statements
- J – State Addenda to Franchise Disclosure Document
- K – Receipts

PROSPECTIVE FRANCHISEE:

Print Name: _____
Date: _____

PROSPECTIVE FRANCHISEE:

Print Name: _____
Date: _____

ITEM 23

RECEIPT

(Sign receipt and return to us)

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- K – Receipts

PROSPECTIVE FRANCHISEE:

Print Name: _____
Date: _____

PROSPECTIVE FRANCHISEE:

Print Name: _____
Date: _____