FRANCHISE DISCLOSURE DOCUMENT

PREMIER FRANCHISE MANAGEMENT LLC
(a Nevada limited liability company)
1221 Liberty Pike
Franklin, TN 37067
844-366-2102
www.premierpoolsandspas.com
www.ppas.com
www.pinnaclepoolsandspas.com

PREMIER POOLS & SPAS®

PINNACLE POOLS AND SPAS®

The franchise described in this disclosure document relates to the establishment and operation of a business to market, sell, and supervise the construction and remodeling of swimming pools and spas, using our proprietary System and using our Marks. You may operate the franchise using the Mark and tradename "Premier Pools & Spas" or "Pinnacle Pools & Spas," depending on name availability in your area.

The total investment necessary to begin operation of a Premier Pools & Spas® or a Pinnacle Pools & Spas franchise is between $58,950 and $122,190. This includes $45,000 that must be paid to the franchisor or affiliate.

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

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

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

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

Issuance Date: March 31, 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 Exhibit F.
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 E 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 Premier Pools & Spas (or Pinnacle Pools & Spas) 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 Premier Pools & Spas (or Pinnacle Pools & Spas) franchisee?	Item 20 or Exhibit F lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

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

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

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

4. **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

5. **Unregistered Trademark.** The primary trademark that you will use in your business is not federally registered. If the franchisor's right to use this trademark in your area is challenged, you may have to identify your business and its products or services with a name that differs from that used by other franchisees or the franchisor. This change can be expensive and may reduce brand recognition of the products or services you offer. [REGARDING THE PINNACLE POOLS & SPAS LOGO MARK]

6. **Turnover Rate.** During the last 3 years, a high percentage of franchised outlets (more than 28%) were terminated. This franchise could be a higher risk investment than a franchise in a system with a lower turnover rate.

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

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

The state of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you:

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

(B) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives 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.

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

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

Any questions regarding this notice should be directed to:

State of Michigan Consumer Protection Division
Attn: Franchise Section
670 G. Mennen Williams Building
525 West Ottawa
Lansing, Michigan 48909
(517) 335-7567

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TABLE OF CONTENTS

ITEM ***PAGE***

ITEM 1 THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES 1
ITEM 2 BUSINESS EXPERIENCE 3
ITEM 3 LITIGATION 4
ITEM 4 BANKRUPTCY 17
ITEM 5 INITIAL FEES 17
ITEM 6 OTHER FEES 18
ITEM 7 ESTIMATED INITIAL INVESTMENT 21
ITEM 8 RESTRICTIONS ON SOURCE OF PRODUCTS AND SERVICES 24
ITEM 9 FRANCHISEE'S OBLIGATIONS 27
ITEM 10 FINANCING 28
ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING 28
ITEM 12 TERRITORY 37
ITEM 13 TRADEMARKS 41
ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION 44
ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS 45
ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL 46
ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION 47
ITEM 18 PUBLIC FIGURES 50
ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS 50
ITEM 20 OUTLETS AND FRANCHISEE INFORMATION 53
ITEM 21 FINANCIAL STATEMENTS 60
ITEM 22 CONTRACTS 60
ITEM 23 RECEIPTS 61

EXHIBITS

A STATE ADDENDA
B LIST OF ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS
C FRANCHISE AGREEMENT
D TABLE OF CONTENTS OF THE MANUAL
E FINANCIAL STATEMENTS
F LIST OF FRANCHISEES AND LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM
G CURRENT FORM OF GENERAL RELEASE

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

To simplify the language in this disclosure document, "we" or "us" means Premier Franchise Management LLC (the franchisor). "You" means the person or entity who buys the franchise (the franchisee). If you are a corporation, partnership or other entity, "you" includes your owners.

The Franchisor

We are a Nevada limited liability company that was originally formed as a Nevada corporation on August 26, 2014 and then converted to a limited liability company on October 29, 2020. We are in the business of granting franchises and providing initial and ongoing support to our franchisees. Our principal business address is 1221 Liberty Pike, Franklin, Tennessee 37067. From February 2022 to February 2025, our principal address was 235 Noah Drive, Suite 500, Franklin, TN 37064.

Our agents for service of process are listed in *Exhibit B*. We have never done business under any name other than "Premier Franchise Management," "Premier Pools & Spas," "Premier Pools," or "Pinnacle Pools & Spas." We have never conducted a business of the type operated by our franchisees. We began offering Premier Pools & Spas franchises in October 2014 and offering Pinnacle Pools & Spas franchises in May 2017. Before that, we had never offered franchises in any line of business. We do not currently engage in any other business; however, we reserve the right to engage in other business activities.

Our Parent

We are 100% owned by Premier Holdco LLC ("Premier Holdco"), a Delaware limited liability company formed on October 28, 2020. Premier Holdco's principal business address is the same as ours.

Our Affiliates

From July 2011 to November 2014, our affiliate and predecessor, Premier Pools Management Corp., now known as Premier Pools Management LLC ("PPMC"), offered license opportunities for a business marketing, selling, and supervising the construction and remodeling of swimming pools and spas, but this license opportunity differed from the franchise opportunity we now offer in regards to the use of the Marks and System, fees, assistance and controls. PPMC is a Nevada limited liability company that was originally formed as a Nevada corporation on June 30, 2011 and then converted to a limited liability company on October 29, 2020. Its principal business address is the same as ours. Since we began offering franchises, most of the existing PPMC license owners obtained a Premier Pools & Spas® franchise. PPMC has never offered franchises in any line of business.

Our affiliate, PPSF, LLC ("PPSF"), operates a franchise system in the business of marketing, selling, and providing cleaning, maintenance and repair services for swimming pools and spas, and selling related items and services. PPSF is a Texas limited liability company that was formed on April 28, 2017 as "Premier Pacific, LLC." It changed its name to PPSF, LLC on November 16, 2017. PPSF's principal business address is the same as ours. PPSF began offering Premier Pool Service franchises in December 2017 and Pinnacle Pool Service franchises in January 2018. PPSF's franchisees operate under the trade names "Premier Pool Service" and "Pinnacle Pool Service." As of December 31, 2023, there were 32 PPSF franchises open and operational, with 31 operating under the "Premier Pool Service" trade name, and 1 operating under the "Pinnacle Pool Service" trade name, and 2 company-owned PPSF locations. PPSF does business under its entity name, "Premier Pool Service," and "Pinnacle Pool Service." It has never engaged in any other line of business.

Currently, none of our affiliates provide products or services to our franchisees.

The Franchised Business

The franchise described in this disclosure document relates to the operation of a business to market, sell, and supervise the construction and/or remodeling of swimming pools and spas, and provide related items and services, under our trademarks, service marks, trade dress, color schemes and logos (collectively, the "Marks") and using our distinctive programs, procedures, protocols, standards, manuals and other confidential business systems, practices and materials (collectively, the "System"). These businesses are referred to in this disclosure document as "System Businesses." At present, our System includes our training programs and materials, our marketing programs and materials, our operation policies and procedures, our management programs and procedures, our quality control and customer satisfaction standards and programs, our other System standards, our Manual and other intellectual property (including Confidential Information). The System Business to be operated by you is referred to in this disclosure document as the "Franchised Business." We provide our franchisees with know-how, training and guidance for operation of a System Business. System Businesses do not engage in the actual construction or remodeling of swimming pools and spas. Instead, our franchisees hire contractors, who must be properly licensed and adequately insured, to perform those services.

There are 3 primary construction methods utilized in swimming pool and spa construction: gunite, fiberglass and vinyl. Before you sign the Franchise Agreement, you will let us know the type(s) of pools and spas that you want to construct, and whether you want to offer pool and spa remodeling services. Exhibit A of the Franchise Agreement will identify the construction pool and spa types (your "Pool Types") we allocate to you and whether we authorize you to preform pool and spa remodeling services. Remodeling services are not restricted to the same types of pools as your construction Pool Types.

Market and Competition

The primary market for the services offered by a System Business are homeowners.

The business of marketing, selling, and supervising the construction and remodeling of swimming pools and spas in general is developed and competitive. You may have to compete with numerous other businesses (some of which may be franchised or licensed by a nationwide system). Competitors in your market area may include local and regional pool builders.

Industry-Specific Laws and Regulations

You must comply with all local, state, and federal laws and regulations that apply to operation of the Franchised Business, including laws regarding the design, construction and remodeling of swimming pools and spas. In particular, you must comply with all applicable city, county and state building codes regarding design and construction standards, and permitting, inspection and approval of swimming pools and spas. You and the contractors you use must have all required contractors' licenses. Otherwise, we are not aware of any laws and regulations that specifically apply to the Franchised Business, but you should consult with an attorney concerning these and other laws, regulations and ordinances that may affect operation of your Franchised Business.

ITEM 2. BUSINESS EXPERIENCE

Chief Executive Officer and Director: Paul Porter

Mr. Porter has been our Chief Executive Officer and Director since August 2014. He was our President from March 2023 to September 2025. He has been the Chief Executive Officer of Premier Holdco since October 2020, Chief Executive Officer of PPSF since November 2017, and President and Chief Executive Officer of PPMC since June 2011. He performs his duties in Franklin, Tennessee.

Treasurer, Secretary and Director: Deborah Porter

Ms. Porter has been our Treasurer, Secretary and Director since August 2014. She has also been Secretary of Premier Holdco since October 2020, Secretary of PPSF since April 2017, and Secretary and Treasurer of PPMC since June 2011. From August 2014 to October 2018, she was our President. She performs her duties in Franklin, Tennessee.

President: Brian Porter

Mr. Porter has been our President since September 2025. He was President of Service for us and PPSF from September 2021 to September 2025. From August 2014 to September 2021, he was our Vice President, Secretary, and Franchise Training Manager. He performs his duties in Franklin, Tennessee.

VP of Operations & Procurement: Thomas Gaffney

Mr. Gaffney has been our VP of Operations & Procurement since September 2025. He has also been VP of Operations & Procurement for PPSF since September 2025. He was VP

of Facility Operations at Gibson Guitar in Nashville, Tennessee from May 2017 to June 2025. He performs his duties in Franklin, Tennessee.

VP of Franchise Development & Strategic Planning: Gregory W. Adams

Mr. Adams has been our VP of Franchise Development & Strategic Planning since November 2025. From February 2024 to November 2025, he was our Senior Director of Franchise Training and Development. He also has been our Director of Service from October 2021 to February 2024. He also has been Director of Service for PPSF from October 2021 to February 2024, and the owner of Triple A Pools Texas Inc., located in Garland, Texas (a PPSF franchisee since March 2018), from July 2016 to January 2026. He performs his duties in Franklin, Tennessee.

Director of Franchise Development: Bart Zacks

Mr. Zacks has been our Director of Franchise Development since April 2018. He also has been Director of Franchise Development for PPSF since April 2018. Mr. Zacks performs his duties in Franklin, Tennessee.

In-House General Counsel: Danny Boyarsky

Mr. Boyarsky has been our In-House General Counsel since October 2025. From October 2024 to October 2025, he was an intern in our legal department while in law school. Mr. Boyarsky performs his duties in Franklin, Tennessee.

Chief Financial Officer: Jim Watson

Mr. Watson has been our Chief Financial Officer since June 2024. He was Chief Financial Officer for Spark Dental Management, in West Chester, Pennsylvania, from June 2022 to June 2024. From October 2021 to June 2022, he was Chief Financial Officer for Brave Health, in Miami, Florida. He was a Principal Consultant for JWC Consulting, in Kennett, Pennsylvania, from September 2017 to October 2021. Mr. Watson performs his duties in Franklin, Tennessee.

ITEM 3. LITIGATION

PENDING CASES

Lutfi Dema v. Poolscapes Florida, Inc. d/b/a Pinnacle Pools and Spas; Matthew R. Szafran a/k/a Matthew Ross; Premier Pools Management LLC; Premier Franchise Management LLC, Case No. 2023-CA-015093-O, Circuit Court of the 9th Judicial Circuit, Florida, filed on September 11, 2023. A customer brought this action against one of our prior franchisees and us, alleging that the franchisee failed to perform its pool construction contract with the customer. The original complaint includes claims negligence and construction defect. The customer seeks damages of an amount in excess of $100,000. We are currently in the discovery process.

Brent Jackson v. Poolscapes Florida LLC; Matthew Szafran; Andrea Brannon; Premier Franchise Management LLC, Case No.199370014 Circuit Court of the 5th Judicial District, Brevard County, Florida, filed on May 29, 2024. Customers brought this action against a former franchisee and us alleging fraud, conspiracy to commit fraud, aiding and abetting fraud, negligence, slander of title and declaratory judgment to quiet title, and breach of contract. The customers seek general monetary damages, repair and replacement costs, attorneys' fees, cost of suit, and further unspecified relief. The case is pending, and in the discovery phase. A motion for summary judgment was filed on March 20, 2026, and a jury trial is set for June 22, 2026.

DeWight Lee and Lyndsay Lee v. George Rainey, Splashing Inc., and Premier Franchise Management, LLC, Case No. CV06-25-0031, District Court of the Seventh Judicial District, Bingham County, Idaho, filed January 9, 2025. A customer brought this action against one of our franchisees, us, and others, alleging that the franchisee failed to perform its pool construction contract with the customer. The complaint includes claims for breach of contract, unjust enrichment, conversion, and apparent agency. The customer seeks actual damages in an amount greater than $72,805.15, punitive damages, civil penalties, interest, and attorneys' fees. The case is pending, with a jury trial set for August 10, 2026.

Michael R. Ackermann and Wynter D. Ackermann v. Turnkey Design and Build, LLC, Premier Franchise Management, LLC, and Jordan VanWye, Case No. 49D06-2404-PL-018308, Marion Superior Court 6, Marion County, Indiana, filed April 23, 2024. A customer brought this action against one of our franchisees, us, and others, alleging that the franchisee failed to perform its pool construction contract with the customer. The complaint includes claims for breach of contract, conversion, violations of the Indiana Crime Victims' Relief Act, and violations of the Indiana Deceptive Consumer Sales Act. The customer seeks actual damages in an amount greater than $112,500, punitive damages, civil penalties, interest, and attorneys' fees. The case is pending, although plaintiffs have not initiated any discovery. No trial date has been set.

Julie Elsbury v. Turnkey Design and Build LLC, Jordan Vanwye, and Premier Franchise Management LLC, Case No. 29D01-2312-PL-011904, Hamilton Superior Court, Indiana, filed December 23, 2023. A customer brought this action against one of our prior franchisees, us, and others, alleging that the franchisee failed to perform its pool construction contract with the customer. The original complaint includes claims for breach of contract, violations of the Indiana Home Improvement Contract Act, fraud, and misrepresentation. The customer seeks damages in an amount in excess of $15,000. We are currently in the discovery process.

Meredith Dixon and Brannon Dixon v. Premier Pools Management Corp. Holdco d/b/a Premier Pools & Spas; Premier Pools and Spas, LP; Brighton Builders, LLC d/b/a Premier Pools & Spas; and Dane Little, Case No. 22-CI-003069, Jefferson Circuit Court, Commonwealth of Kentucky, filed June 17, 2022. A customer brought this action against one of our franchisees, us, and others, alleging that the franchisee misrepresented its experience and credentials and then failed to properly construct and install the customer's pool, including by performing defective and incomplete work and failing to obtain required permits and comply with applicable ordinances, resulting in defects and related damages. The complaint includes claims for fraud, fraud by omission, breach of contract, breach of

implied warranties, negligence, unjust enrichment, and violations of the Kentucky Consumer Protection Act. The customer seeks consequential and compensatory damages, restitution, damages under the Kentucky Consumer Protection Act, punitive damages, attorneys' fees and costs, pre-judgement interest, and all other relief to which the customer may be entitled. The case is pending. No trial date has been set.

Randy Hayes and Jaclyn Hayes v. Premier Pools and Spas, LP; Premier Franchise Management, LLC; Dealing With Pools, LLC; and Zachary Deal, Case No. C2023-0477 B, 36th Judicial District Court, Parish of Beauregard, Louisiana, filed June 21, 2023. A customer brought this action against one of our franchisees, us, and others, alleging that the franchisee failed to perform its pool construction contract with the customer. The petition includes claims for breach of contract and unfair and deceptive trade practices under state law. The customer seeks unspecified actual damages, punitive damages, civil penalties, interest, and attorneys' fees. The case is pending, and is in the discovery phase. No trial date has been set.

Lawrence Henagan and Della Henagan v. Premier Pools and Spas, LP; Premier Franchise Management, LLC; Dealing With Pools, LLC; and Zachary Deal, Case No. 2023-002649, 14th Judicial District Court, Parish of Calcasieu, Louisiana, filed July 18, 2023. A customer brought this action against one of our franchisees, us, and others, alleging that the franchisee failed to perform its pool construction contract with the customer and that the work remains incomplete and defective. The petition includes claims for breach of contract and unfair and deceptive trade practices under state law. The customer seeks unspecified actual damages, statutory damages, interest, and attorneys' fees. The case is pending, and is in the discovery phase. No trial date has been set.

Benjamin Pearson and Angela Pearson v. Premier Pools & Spas, LP, Premier Franchise Management, LLC, Dealing with Pools, LLC, and Zachary Deal, Case No. C-2023-0253-B, 36th Judicial District Court, Parish of Beauregard, Louisiana, filed March 31, 2023. A customer brought this action against one of our franchisees, us, and others, alleging that the franchisee failed to perform its pool construction contract with the customer. The complaint includes claims for breach of contract and unfair and deceptive trade practices under state law. The customer seeks unspecified actual damages and statutory damages, attorneys' fees, and costs. The case is pending and in the discovery phase. No trial date has been set.

Scott Suratt and Carly Suratt v. Premier Pools & Spas, LP, Premier Franchise Management, LLC, Dealing with Pools, LLC, and Zachary Deal, Case No. 2023-1889, 14th Judicial District Court, Parish of Calcasieu, Louisiana, filed May 19, 2023. A customer brought this action against one of our franchisees, us, and others, alleging that the franchisee failed to perform its pool construction contract with the customer. The complaint includes claims for breach of contract and unfair and deceptive trade practices under state law. The customer seeks unspecified actual damages and statutory damages, attorneys' fees, and costs. The case is pending and in the discovery phase. No trial date has been set.

Kamber Kelly v. Premier Pools and Spas Services, LLC; Premier Franchise Management, LLC; Premier Pools Management, LLC; Paul Porter; Brian Porter; Greg Adams; and Brian Pointer, Cause No. DV-56-2025-0000289-BC, Montana Thirteenth Judicial District Court,

Yellowstone County, Montana, filed February 28, 2025. A customer brought this action against one of our franchisees, us, and others, alleging that the franchisee failed to perform its pool construction contract with the customer. The complaint includes claims for negligence, violations of the Consumer Protection Act, unjust enrichment, and deceit. The customer seeks unspecified actual damages in an amount greater than $225,549.76, punitive damages, civil penalties, interest, and attorneys' fees. The case is pending, and in the discovery phase. No trial date has been set.

Jason Halpern, as Trustee of the Stay Ready No Get Ready Living Trust v. Dynamic Surfaces LLC; Johnny Anthony Sanchez; PPAS-LV, LLC d/b/a Premier Pools & Spas; Ronald Raymond Bennett Jr.; Nevada State Contractors Board; Premier Pool Management Corp.; and Does 1-50, Case No. A-23-871555-C, District Court, Clark County, Nevada, filed February 6, 2025. A customer brought this action against one of our franchisees, us, and others, alleging that the franchisee failed to complete its pool construction contract with the customer and that the work performed resulted in construction defects and related damages. The complaint includes claims for breach of contract, negligence, negligence per se, claim against bonds, frivolous and/or excessive mechanic's lien, slander of title, respondeat superior, negligent supervision, and declaratory relief. The customer seeks actual damages in an amount greater than $15,000, punitive damages, civil penalties, interest, and attorneys' fees. The case is pending. No trial date has been set.

Connie Allbritton v. Premier Pools & Spas, Premier Franchise Management, LLC, John Does 1-3, Case No. CJ-2023-3232, District Court of Oklahoma County, Oklahoma, filed June 9, 2023. A customer brought this action against one of our franchisees, us, and others, alleging that the franchisee failed to perform its pool construction contract with the customer. The petition includes claims for breach of contract, negligence, fraud, misrepresentation, and violations of the Oklahoma Consumer Protection Home Repair Fraud Act. The customer seeks unspecified actual damages, punitive damages, civil penalties, interest, and attorneys' fees. In January 2026, we filed a motion for leave to file a motion for summary judgment. The case is pending.

Rick Cook and Erin Cook v. Premier Pools & Spas, Premier Franchise Management, LLC, John Does 1-3, Case No. CJ-2023-2115, District Court of Oklahoma County, Oklahoma, filed April 14, 2023. A customer brought this action against one of our franchisees, us, and others, alleging that the franchisee failed to perform its pool construction contract with the customer. The complaint includes claims for breach of contract, negligence, fraud, misrepresentation, and violations of the Oklahoma Consumer Protection Act. The customer seeks unspecified actual damages, punitive damages, civil penalties, interest, and attorneys' fees. The trial court found in favor of plaintiffs. In April 2025, we filed an appeal in the Oklahoma Court of Civil Appeals under Cook et al. v. Sol Pools, LLC et al., No. DF-123018 (Okla. Ct. Civ. App., Tulsa Div.). That appeal is pending.

Makenzie Corder and Emily Corder v. Premier Pools & Spas, Premier Franchise Management, LLC, John Does 1-3, Case No. CJ-2023-2112, District Court of Oklahoma County, Oklahoma, filed April 14, 2023. A customer brought this action against one of our franchisees, us, and others, alleging that the franchisee failed to perform its pool construction contract with the customer. The complaint includes claims for breach of contract, negligence, fraud, misrepresentation, and violations of the Oklahoma Consumer

Protection Act. The customer seeks unspecified actual damages, punitive damages, civil penalties, interest, and attorneys' fees. The trial court found in favor of plaintiffs. In June 2025, we filed an appeal in the Oklahoma Court of Civil Appeals under Corder et al. v. Sol Pools, L.L.C. et al., No. DF-123183 (Okla. Ct. Civ. App., Tulsa Div.). That appeal is pending.

Maria Diaz v. Premier Pools & Spas, Sol Pools d/b/a Premier Pools, Premier Franchise Management, LLC, John Does 1-3, Case No. CJ-2023-2101, District Court of Oklahoma County, Oklahoma, filed April 14, 2023. A customer brought this action against one of our franchisees, us, and others, alleging that the franchisee failed to perform its pool construction contract with the customer. The complaint includes claims for breach of contract, negligence, fraud, misrepresentation, and violations of the Oklahoma Consumer Protection Act. The customer seeks unspecified actual damages, punitive damages, civil penalties, interest, and attorneys' fees. The trial court found in favor of plaintiffs. In September 2025, we filed an interlocutory appeal, which is pending in the Oklahoma Supreme Court under Diaz v. Premier Pools & Spas et al., No. CI-123384 (Okla. Sup. Ct.). That appeal is pending.

Rene and Delores Frias v. Premier Pools & Spas; Sol Pools, LLC; Premier Pools & Spas, LP; and Premier Franchise Management, LLC, Case No. CJ-2023-4868, District Court of Oklahoma County, Oklahoma, filed August 29, 2023. A customer brought this action against one of our franchisees, us, and others, alleging that the franchisee failed to perform its pool construction contract with the customer. The petition includes claims for breach of contract, negligence, fraud, theft, misrepresentation, false advertising, and violations of the Oklahoma Consumer Protection Home Repair Fraud Act. The customer seeks actual damages in an amount greater than $75,000, punitive damages, civil penalties, interest, and attorneys' fees. In January 2026, we filed a motion for leave to file a motion for summary judgment. The case is pending.

Chris Harper and The Chris Harper 2021 Revocable Living Trust v. Premier Pools & Spas, Sol Pools, LLC, Premier Pools & Spas, LP, Premier Pools Management Corp. Holdco, and Premier Franchise Management LLC, Case No. CJ-2022-4000, District Court of Oklahoma County, Oklahoma, filed January 31, 2023. A customer brought this action against one of our franchisees, us, one of our indirect parent companies, and others, alleging that the franchisee failed to perform its pool construction contract with the customer. The complaint includes claims for breach of contract, fraud, and misrepresentation. The customer seeks unspecified damages, court costs, interest, and attorneys' fees. We filed a motion to dismiss, which is currently pending. A default judgment was entered against the franchisee and Premier Pools & Spas, LP.

Clint & Evva King v. Premier Pools & Spas, Sol Pools, LLC, Premier Pools & Spas, LP, Premier Franchise Management, LLC, and John Does 1-3, Case No. CJ-2023-4869, District Court of Oklahoma County, Oklahoma, filed August 29, 2023. A customer brought this action against one of our franchisees, us, and others, alleging that the franchisee failed to perform its pool construction contract with the customer. The complaint includes claims for breach of contract, negligence, fraud, misrepresentation, false advertising, and violations of the Oklahoma Consumer Protection Home Repair Fraud Act. The customer seeks actual damages in an amount greater than $75,000, punitive damages, civil penalties, interest, and attorneys' fees. In January 2026, we filed a motion for leave to file a motion for summary

judgment, which remains pending. The case is pending, with a jury trial setting for September 14, 2026.

Karen King v. Premier Pools & Spas, Premier Franchise Management, LLC, and John Does 1-3, Case No. CJ-2023-2753, District Court of Oklahoma County, Oklahoma, filed May 12, 2023. A customer brought this action against one of our franchisees, us, and others, alleging that the franchisee failed to perform its pool construction contract with the customer. The petition includes claims for breach of contract, negligence, fraud, misrepresentation, and violations of the Oklahoma Consumer Protection Home Repair Fraud Act. The customer seeks actual damages in an amount greater than $75,000, punitive damages, civil penalties, interest, and attorneys' fees. The court granted our motion for leave to file a motion for summary judgment. The case is pending.

Michelle Leeper and Lisa Lesder v. Premier Pools & Spas, Premier Franchise Management, LLC, John Does 1-3, Case No. CJ-2023-3101, District Court of Oklahoma County, Oklahoma, filed June 2, 2023. A customer brought this action against one of our franchisees, us, and others, alleging that the franchisee failed to perform its pool construction contract with the customer. The petition includes claims for breach of contract, negligence, fraud, theft, misrepresentation, and violations of the Oklahoma Consumer Protection Home Repair Fraud Act. The customer seeks unspecified actual damages, punitive damages, civil penalties, interest, and attorneys' fees. In January 2026, we filed a motion for leave to file a motion for summary judgment. The case is pending.

Larry Roeseler and Tina Roeseler v. Premier Pools & Spas, Premier Franchise Management, LLC, and John Does 1-3, Case No. CJ-2023-3597, District Court of Oklahoma County, Oklahoma, filed June 28, 2023. A customer brought this action against one of our franchisees, us, and others, alleging that the franchisee failed to perform its pool construction contract with the customer. The petition includes claims for breach of contract, negligence, fraud, misrepresentation, false advertising, and violations of the Oklahoma Consumer Protection Home Repair Fraud Act. The customer seeks actual damages in an amount greater than $75,000, punitive damages, civil penalties, interest, and attorneys' fees. In January 2026, we filed a motion for leave to file a motion for summary judgment. The case is pending.

Brad and Monica Schornick v. Premier Pools & Spas, Premier Franchise Management, LLC, John Does 1-3, Case No. CJ-2023-2103, District Court of Oklahoma County, Oklahoma, filed April 14, 2023. A customer brought this action against one of our franchisees, us, and others, alleging that the franchisee failed to perform its pool construction contract with the customer. The complaint includes claims for breach of contract, negligence, fraud, theft, misrepresentation, and violations of the Oklahoma Consumer Protection Act. The customer seeks unspecified actual damages, punitive damages, civil penalties, interest, and attorneys' fees. The jury returned a verdict in favor of plaintiffs, but judgement has not yet been entered. If judgement is entered against us, we plan to appeal.

Johnny Thompson and Devin Thompson v. Premier Pools & Spas, Premier Franchise Management, LLC, and John Does 1-3, Case No. CJ-2023-3598, District Court of Oklahoma County, Oklahoma, filed June 28, 2023. A customer brought this action against one of our franchisees, us, and others, alleging that the franchisee failed to perform its pool

construction contract with the customer. The petition includes claims for breach of contract, negligence, fraud, misrepresentation, and violations of the Oklahoma Consumer Protection Home Repair Fraud Act. The customer seeks actual damages in an amount greater than $75,000, punitive damages, civil penalties, interest, and attorneys' fees. In January 2026, we filed a motion for leave to file a motion for summary judgment. The case is pending.

Justin Williams and Bridget Williams v. Premier Pools & Spas; Sol Pools, LLC; Premier Franchise Management, LLC; and John Does 1-3, Case No. CJ-2023-5244, District Court of Oklahoma County, Oklahoma, filed September 13, 2023. A customer brought this action against one of our franchisees, us, and others, alleging that the franchisee failed to perform its pool construction contract with the customer. The petition includes claims for breach of contract, negligence, fraud, theft, misrepresentation, false advertising, and violations of the Oklahoma Consumer Protection Home Repair Fraud Act. The customer seeks actual damages in an amount greater than $75,000, punitive damages, civil penalties, interest, and attorneys' fees. The court granted our motion for leave to file a motion for summary judgment. The case is pending.

Renee Bellino and Jon Bellino v. Premier ATX Industries, LLC; Premier Franchise Management; Premier Franchise Management LLC; Premier Pools & Spas; and Big Dog Gunite, LLC, Case No. D-1-GN-25-005071, District Court, Travis County, Texas, filed July 16, 2025. A customer brought this action against one of our franchisees, us, and others, alleging that the franchisee negligently constructed the customer's pool and that the pool contains substantial construction defects. The petition includes claims for breach of warranty, negligence, and breach of contract, and references potential Texas Deceptive Trade Practices Act claims that are not asserted at this time. The customer seeks monetary relief over $200,000.00 but under $1,000,000.00, including direct, special, and consequential damages, costs of court, reasonable attorneys' fees, recoverable expenses, and pre-judgment and post judgment interest, and all other relief to which the customer may be entitled. The case is pending. No trial date has been set.

Lacy Bond v. Sunset Construction, LLC d/b/a Premier Pools and Spas of Wichita Falls, Premier Pools and Spas, LP, Premier Pools Management Corp., and George Walker Berre, Case No. 34886, District Court, 90th Judicial District of Young County, Texas, filed February 15, 2023. A customer brought this petition against one of our franchisees and others, alleging that the franchisee failed to perform its pool construction contract with the customer. (We anticipate that the petition will be amended to name us as an additional defendant.) The complaint includes claims for breach of contract, violations of the Texas Deceptive Trade Practices Act – Consumer Protection Act and the Texas Business and Commerce Code, fraud and fraudulent inducement, negligent misrepresentation, unjust enrichment, and, as an alternative claim with respect to the franchisor parties, vicarious liability and joint venture. The customer seeks actual damages in an amount greater than $201,994, unspecified mental anguish damages, statutory damages, interest, attorneys' fees, and costs. The case is pending and in the discovery phase. Trial is set for August 17, 2026.

Veronica Buxton and Christopher Buxton v. Premier ATX Industries, LLC d/b/a Premier Pools & Spas; Premier Franchise Management, LLC; Faustino Martinez Rodriguez; Big Dog Gunite, LLC; and Big Dog Mix Concrete, Inc., Cause No. 25-0367-C425, 425th Judicial District Court, Williamson County, Texas, filed November 18, 2025. A customer brought this

action against one of our franchisees, us, and others, alleging that the franchisee negligently constructed the customer's pool and that the pool contains substantial construction defects, including cracking and leaking, and that the defendants failed to honor applicable warranty obligations. The petition includes claims for breach of contract, breach of warranty, negligence, negligent manufacturing, product liability, violations of the Texas Deceptive Trade Practices Act, fraud, and includes agency and vicarious liability theories. The customer seeks monetary relief of $250,000.00 but not more than $1,000,000.00, excluding interest, statutory or punitive damages and penalties, and attorneys' fees and costs, and requests judgment for actual damages, pre-judgment and post-judgment interest, additional damages under the Texas Deceptive Trade Practices Act, attorneys' fees, expert costs, costs and expenses, and all other relief to which the customer may be entitled. The case is pending. No trial date has been set.

Dan Dowdy and Lauren Dowdy v. Premier ATX Industries LLC d/b/a Premier Pools and Spas and Premier Franchise Management, LLC, Cause No. 25DC 23867, 27th Judicial District Court, Lampasas County, Texas, filed April 30, 2025. A customer brought this action against one of our franchisees, us, and others, alleging that the franchisee negligently constructed the customer's pool and that the pool contains substantial construction defects. The petition includes claims for breach of contract, breach of express warranty, breach of implied warranty, negligence, violations of the Texas Deceptive Trade Practices Act, common law fraud and fraudulent inducement, agency and vicarious liability, and res ipsa loquitur. The customer seeks monetary relief over $250,000.00 but not more than $1,000,000.00, including actual and consequential damages, attorneys' fees and expenses, pre-judgment and post-judgment interest, punitive damages or treble damages, costs of court, and all other relief to which the customer may be entitled. The case is pending. No trial date has been set.

Patricia Dyer and Eldon Dyer v. Premier Pools & Spas, Inc., Cause No. DC30-CV2024-2198, 30th District Court, Wichita County, Texas, filed October 18, 2024. A customer brought this action against one of our franchisees, us, and others, alleging that the franchisee failed to perform its pool construction contract with the customer. The petition includes claims for breach of contract, violations of the Texas Deceptive Trade Practices Act, fraud/misrepresentation, unconscionable conduct, and breach of implied warranty of fitness for a particular purpose. The customer seeks monetary relief of $250,000 or less and nonmonetary relief, including actual damages, treble damages and mental anguish damages under the Texas Deceptive Trade Practices Act, reasonable attorneys' fees, costs of court, pre-judgment and post-judgment interest, and all other relief to which the customer may be entitled. The case is pending. No trial date has been set.

Roberto Gonzalez and Claudia Gonzalez v. Premier ATX Industries, LLC d/b/a Premier Pools & Spas; Premier Franchise Management, LLC; and Big Dog Gunite, LLC, Cause No. D-1-GN-25-003714, 98th Judicial District Court, Travis County, Texas, filed May 21, 2025. A customer brought this action against one of our franchisees, us, and others, alleging that the franchisee negligently constructed the customer's pool and that the pool contains substantial construction defects, including cracking and leaking, and that Defendants refused to honor applicable warranty obligations. The petition includes claims for breach of contract, breach of express warranty, breach of implied warranty, negligence, violations of the Texas Deceptive Trade Practices Act, common law fraud and fraudulent inducement,

negligent manufacturing, res ipsa loquitur, and agency and vicarious liability. The customer seeks monetary relief over $250,000.00 but not more than $1,000,000.00, including actual and consequential damages, attorneys' fees and expenses, pre-judgment and post-judgment interest, punitive damages or treble damages, costs of court, and all other relief to which the customer may be entitled. The case is pending. No trial date has been set.

Nicole Jacobus and James Drummond v. Premier ATX Industries, LLC d/b/a Premier Pools & Spas; Big Dog Gunite, LLC; Big Dog Mix Concrete, Inc.; Big Dog Gunite Pool, LLC; Premier Franchise Management, LLC; and Faustino Martinez Rodriguez, Cause No. 25-2811-C395, 395th Judicial District Court, Williamson County, Texas, filed December 2, 2025. A customer brought this action against one of our franchisees, us, and others, alleging that the franchisee negligently constructed the customer's pool and that the pool contains substantial construction defects, including cracking and leaking, and that the defendants failed to honor applicable warranty obligations. The petition includes claims for breach of contract, breach of warranty, negligence, negligent manufacturing, product liability, violations of the Texas Deceptive Trade Practices Act, fraud, agency and vicarious liability, joint enterprise, and alter ego liability. The customer seeks monetary relief of $250,000.00 but not more than $1,000,000.00, including actual damages, additional damages under the Texas Deceptive Trade Practices Act, attorneys' fees, expert costs, pre-judgment and post-judgment interest, court costs, and all other relief to which the customer may be entitled. The case is pending. No trial date has been set.

Shan Johnson v. Premier Franchise Management LLC, Paul Porter, Freshwater Pools, LLC, Sandal Pools, LLC, and Michael Ribnikar, Case No. 01-21-0003-5561, American Arbitration Association, filed April 23, 2021. A former franchisee brought this action against the former co-owner of his System Business (the "Former Co-Owner"), the Former Co-Owner's two business entities, us, and our Chief Executive Officer, President, and Director, Paul Porter, alleging that the Former Co-Owner, we, and Mr. Porter conspired to force the former franchisee to sell his System Business to the Former Co-Owner and his business entity at a below-market price under threat of termination of the applicable franchise agreement. The complaint includes claims for conversion, violation of the Texas Theft Liability Act, civil conspiracy among us, Mr. Porter, and the Former Co-Owner, breach of the franchise agreement by us, tortious interference with the franchise agreement by the Former Co-Owner, and the fraudulent transfer of assets by the Former Co-Owner. The former franchisee seeks the voidance of the applicable asset purchase agreement, an award of the value of the former franchisee's System Business, and attorneys' fees and costs. The Former Co-Owner filed a counterclaim against the former franchisee, alleging fraud. Mr. Porter was dismissed voluntarily from the action without prejudice. A final arbitration hearing is being scheduled for late 2026.

Rick Miller v. Premier ATX Industries, LLC d/b/a Premier Pools & Spas and Premier Franchise Management LLC, Cause No. 58225, 424th District Court, Burnet County, Texas, filed April 15, 2025. A customer brought this action against one of our franchisees, alleging that the franchisee failed to construct a structurally sound pool and refused to remediate substantial cracking and leaking in the pool shell. The petition includes claims for declaratory judgment, equitable damages under the Texas Property Code, violations of the Texas Deceptive Trade Practices Act, and attorneys' fees. The customer seeks declaratory relief enforcing the pool's lifetime structural warranty and holding the defendant liable for the cost

to replace the pool and related remediation expenses (alleged to be approximately $357,223.00), plus pre-judgment and post-judgment interest, reasonable attorneys' fees, court costs, and all other relief to which the customer may be entitled. The case is pending. No trial date has been set.

Nick Russell and Melissa Russell v. Baird Services, LLC d/b/a Premier Pools & Spas; Premier Franchise Management, LLC; Texas Lehigh Cement Company, LP; and Chanas Aggregates, LLC, Cause No. D-1-GN-25-000701, 250th Judicial District Court, Travis County, Texas, filed January 28, 2025. A customer brought this action against one of our franchisees, us, and others, alleging that the franchisee negligently constructed the customer's pool and that the pool contains substantial construction defects, including cracking and leaking, and that defective concrete materials and improper installation contributed to the damage. The petition includes claims for breach of contract, breach of express warranty, breach of implied warranty, negligence, gross negligence, violations of the Texas Deceptive Trade Practices Act, common law fraud and fraudulent inducement, and res ipsa loquitur. The customer seeks monetary relief over $250,000.00 but not more than $1,000,000.00, including actual and consequential damages, attorneys' fees and expenses, pre-judgment and post-judgment interest, punitive damages or treble damages, costs of court, and all other relief to which the customer may be entitled. The case is pending. No trial date has been set.

Ashley Stewart and Zachary Stewart v. Premier ATX Industries, LLC; Premier Franchise Management, LLC; Compass Gunite, LLC; Rock Solid Excavation, LLC; and Rock Solid Paving and Coatings, LLC d/b/a Rock Solid Plumbing, Case No. 25-3210-C425, 425th Judicial District Court, Williamson County, Texas, filed November 4, 2025. A customer brought this action against one of our franchisees, us, and others, alleging that the franchisee failed to perform its pool construction contract with the customer and that the pool construction was left incomplete and contained construction defects. The petition includes claims for breach of contract, negligence, and breach of implied warranties, and references potential Texas Deceptive Trade Practices Act claims that are not asserted at this time. The customer seeks monetary relief over $200,000.00 but under $1,000,000.00, including direct, special, and consequential damages, costs of court, reasonable attorneys' fees, recoverable expenses, pre-judgment and post-judgment interest, and all other relief to which the customer may be entitled. The case is pending. No trial date has been set.

Shane and Karen Ward v. West Texas Pool and Spas LLC d/b/a Premier Pools and Spas of Lubbock; Premier Pools and Spas LP; Premier Pools Management Corp.; Barry Tidrow; Matt Henson, Case No. 22-09-07724,106th Judicial District Court, Garza County, Texas, filed on September 15, 2022. Customers brought this action against a former franchisee and us, alleging violations of the DTPA, breach of implied warranty of good workmanship services, breach of express warranty, fraud and fraudulent inducement, unjust enrichment, negligence including negligence in training and supervision, and vicarious liability and joint venture. Customers seek damages of the amount in excess of $1,000,000 and under $2,000,000. Thie case is pending, although plaintiff's counsel has not responded to the court's request for a status update. No trial date has been set.

Edward Weltens and Julie Weltens v. Premier ATX Industries, LLC d/b/a Premier Pools & Spas and Premier Franchise Management, LLC, Cause No. D-1-GN-24-009813, 200th

Judicial District Court, Travis County, Texas, filed December 6, 2024. A customer brought this action against one of our franchisees, us, and others, alleging that the franchisee negligently constructed the customer's pool and that the pool contains substantial construction defects, including cracking and leaking, and that Defendants refused to honor applicable warranty obligations. The petition includes claims for breach of contract, breach of express warranty, breach of implied warranty, negligence, violations of the Texas Deceptive Trade Practices Act, common law fraud and fraudulent inducement, res ipsa loquitur, and agency and vicarious liability. The customer seeks monetary relief over $250,000.00 but not more than $1,000,000.00, including actual and consequential damages, attorneys' fees and expenses, pre-judgement and post-judgement interest, punitive damages or treble damages, costs of court, and all other relief to which the customer may be entitled. The case is pending. No trial date has been set.

Chris Wilson v. West Texas Pool & Spa, LLC; Premier Pools & Spas, LP; Premier Pools Management Corp.; Barry Tidrow, individually; and Stacy Tidrow, individually, Cause No. DC2025CV1266, 99th Judicial District Court, Lubbock County, Texas, filed August 14, 2025. A customer brought this action against one of our franchisees, us, and others, alleging that the franchisee failed to perform its pool construction contract with the customer. The petition includes claims for breach of contract, fraud and fraudulent inducement, fraud through misrepresentation, and vicarious liability and joint venture. The customer seeks monetary relief aggregating $250,000 or less, including actual damages of $135,364.12, plus pre-judgment and post-judgment interest, reasonable attorneys' fees, court costs, and all other relief to which the customer may be entitled. The case is pending. No trial date has been set.

PRIOR CASES

James F. Robinson v. Brilliant Pools, Jason Lewis, Premier Pools and Spas, LP, and Does 1 through 125, Case No. CVPS2204382, Superior Court for the County of Riverside, California, filed March 7, 2023. A customer brought this action against one of our franchisees, us, and others, alleging certain construction defects in the franchisee's performance of its pool construction project with the customer. The complaint alleges claims for breach of contract, various violations of California Business & Professions Code, negligence, false promise, negligent misrepresentation, intentional misrepresentation, concealment, and unjust enrichment. The customer seeks unspecified damages, special and punitive damages, other damages, including statutory damages, interest, attorneys' fees, and costs. The case settled, under which our insurer paid $50,000.

Rick and Heather Hood v. Turnkey Design and Build LLC d/b/a Premier Pools and Spas of Indianapolis; Premier Franchise Management LLC, Case No. 1:23-CV-00687, Southern District of Indiana federal court, Indiana, filed on February 22, 2023. Customers brought this action against a former franchisee and us, alleging breach of contract. The case settled in July 2023, under which we paid $10,000.

Zachary Samson and Nicole Samson v. Turnkey Design and Build, LLC d/b/a Premier Pools & Spas and Redline Management, LLC, Cause No. 29D02-2305-CT-004093, Hamilton Superior Court 2, Hamilton County, Indiana, filed May 5, 2023. A customer brought this action against one of our franchisees, us, and others, alleging that the franchisee failed to

complete its pool construction contract with the customer and that the work performed was not done in a careful, skillful, and workmanlike manner, resulting in design and installation defects and a nonfunctional pool, spa, and water features. The complaint includes claims for breach of contract (including an agreement to cure defects), negligence, violations of Indiana's Home Improvement Contract Act, violations of the Indiana Deceptive Consumer Sales Act, breach of warranty, breach of implied warranties, and unjust enrichment. The customer sought damages in an amount to be proven at trial, including costs, attorneys' fees, treble damages and exemplary damages, pre-judgement and post-judgement interest, and all other relief to which the customer may be entitled. The case settled on November 19, 2025, under which we agreed to pay $30,000.

Francis Stevens v. Turnkey Design and Build, LLC; Premier Franchise Management, LLC; and Jordan VanWye, Cause No. 49D03-2403-PL-011834, Marion Superior Court 3, Marion County, Indiana, filed March 15, 2024. A customer brought this action against one of our franchisees, us, and others, alleging that the franchisee failed to perform its pool construction contract with the customer, failed to complete the contracted work by the contractual deadline, and failed to obtain required permits, resulting in incomplete and noncompliant work that must be removed and redone. The complaint includes claims for breach of contract, conversion, unjust enrichment, and violations of the Indiana Deceptive Consumer Sales Act, and asserts veil-piercing allegations against the individual defendant. The customer sought damages in an amount to be proven at trial, including consequential damages, treble damages and statutory remedies where available, attorneys' fees, pre-judgement and post-judgement interest, costs, and all other relief to which the customer may be entitled. The case settled on September 3, 2025, under which we agreed to pay $15,000.

Christopher Direnzi v. ColorCure Products LLC d/b/a Premier Pools and Spas LLC; C.C Construction Services of Ohio; Southwest Ohio Pools and Spas LLC; Western Ohio Pools and Spas; Premier Franchise Management LLC, Case No. 01-24-0007-5120, filed with the American Arbitration Association on September 11, 2024. A customer brought this action against a franchisee and us, alleging fraudulent inducement, numerous breaches, violations of duty and failure to meet industry standards, negligence, breach of implied warranty, unjust enrichment, violations of the CSPA and HSSA, and apparent agency. The case settled on February 6, 2026, under which we agreed to pay $25,000.

Michelle H. Chow, Chapter 7 Trustee for the bankruptcy estate of SanDal Pools, LLC, v. Premier Franchise Management, LLC and Bild Development, LLC, Adversary No. 24-04079, in In re SanDal Pools, LLC, Case No. 22-41458, United States Bankruptcy Court for the Eastern District of Texas, Sherman Division, filed October 25, 2024. The Chapter 7 Trustee brought this adversary proceeding against us and another defendant in connection with the debtor's bankruptcy case. The case settled on December 30, 2025, under which we agreed to pay $45,000.

Carlos Creque and Wendolyn Torres Creque v. Premier ATX Industries LLC d/b/a Premier Pools and Spas; Premier Franchise Management, LLC; and Big Dog Gunite, LLC, Cause No. 25-2898-C425, 425th Judicial District Court, Williamson County, Texas, filed October 10, 2025. A customer brought this action against one of our franchisees, us, and others, alleging that the franchisee negligently constructed the customer's pool and that the pool contains substantial construction defects, including cracking and leaking, and that the

defendants refused to honor applicable warranty obligations. The petition includes claims for breach of contract, breach of express warranty, breach of implied warranty, negligence, violations of the Texas Deceptive Trade Practices Act, common law fraud and fraudulent inducement, negligent manufacturing, and res ipsa loquitur. The customer sought unspecified actual damages, punitive damages, civil penalties, interest, and attorneys' fees. The case settled on February 28, 2026, under which our insurer paid $10,000.

Chris and Ashley Fontenot v. Baird Services LLC d/b/a Premier Pools and Spas; Premier Franchise Management LLC, Case No. D-1-GN-23-003524, 345th Judicial District Court in the 353rd Judicial District, Travis County, Texas, filed on July 6, 2023. Customers brought this action against a former franchisee and us, alleging fraud, construction defect, breach of contract and express warranty, DTPA violations, negligence, promissory estoppel, vicarious liability, and agency. The customers seek actual damages, repair costs, necessary engineering and consulting fees, temporary housing during the repair period, damages under the DTPA, and exemplary damages. The parties entered into a settlement agreement on November 24, 2025, under which we and our insurer agreed to pay $200,000.

Davis and Allison Hertzberg v. Premier ATX Industries LLC d/b/a Premier Pools and Spas; Big Dog Gunite LLC; Premier Franchise Management LLC, Case No. D-1-GN-24-002600, 250th District Court, Travis County, Texas, filed on April 25, 2024. Customers brought action against a franchisee and us, alleging breach of contract, breach of warranty, negligence, violations of the DTPA, and fraud. Customers seek damages of the amount in excess of $200,000 and under $1,000,000. The case settled on January 30, 2025, under which we paid $7,500.

George Kerin and Leslie Kerin v. Premier ATX Industries, LLC d/b/a Premier Pools & Spas; Premier Franchise Management, LLC; and Big Dog Gunite, LLC, Cause No. D-1-GN-25-008847, 261st Judicial District Court, Travis County, Texas, filed October 2, 2025. A customer brought this action against one of our franchisees, us, and others, alleging that the franchisee negligently constructed the customer's pool and that the pool contains substantial construction defects. The petition includes claims for breach of contract, breach of express warranty, breach of implied warranty, negligence, violations of the Texas Deceptive Trade Practices Act, common law fraud and fraudulent inducement, negligent manufacturing, and res ipsa loquitur. The customer sought unspecified actual damages, punitive damages, civil penalties, interest, and attorneys' fees. The case settled on February 24, 2026, under which our insurer paid $10,000.

Michael and Noelle Osborn v. Sunset Construction LLC d/b/a Premier Pools and Spas; Premier Franchise Management LLC, Case No. 3525, 90th Judicial District Court, Young County, Texas, filed on December 22, 2022. Customers brought this action against a former franchisee and us, alleging breach of contract, breach of express warranty, and DTPA violations. The case was resolved during mediation on December 9, 2025, with our insurer agreeing to pay $30,000.

Logan Sain and Genevieve Moran v. Premier ATX Industries LLC d/b/a Premier Pools and Spas; John Curl; Cristy Curl; Big Dog Gunite LLC; Premier Franchise Management LLC, Case No. D-1-GN-24-000964, 53rd Judicial District, Travis County, Texas, filed on April 26, 2024. Customers brought this action against a franchisee and us, alleging breach of

contract, breach of warranty, negligence, and fraud. The customers seek damages between $200,000 and $1,000,000. The case settled on January 30, 2025, under which we paid $7,500.

Carl Skager and Diane Skager v. Premier ATX Industries, LLC d/b/a Premier Pools & Spas; Premier Franchise Management, LLC; and Big Dog Gunite, LLC, Cause No. 25-0200-C425, 425th Judicial District Court, Williamson County, Texas, filed January 28, 2025. A customer brought this action against one of our franchisees, us, and others, alleging that the franchisee failed to properly construct the customer's swimming pool, resulting in substantial construction defects, cracking, leaking, and water loss, and failed to honor applicable warranties. The petition includes claims for violations of the Texas Deceptive Trade Practices Act and the Texas Residential Construction Liability Act, and related misrepresentation and warranty allegations. The customer seeks damages including out-of-pocket costs, repair and replacement costs, engineering and consulting fees, loss of use, diminution in value, treble damages under the Texas Deceptive Trade Practices Act, punitive damages, attorneys' fees, pre-judgement and post-judgement interest, and all other relief to which the customer may be entitled. The parties entered into a settlement agreement on November 24, 2025, under which our insurer paid $10,000.

PRIOR ADMINISTRATIVE ACTION

In the Matter of Investigation by Letitia James, Attorney General of the State of New York of Premier Franchise Management LLC and Paul Porter, Attorney General of the State of New York, Investor Protection Bureau, AOD # 21-068, October 2021. We and our Chief Executive Officer, President, and Director, Paul Porter, entered into an Assurance of Discontinuance ("AOD") with the State of New York relating to a franchise sold by us to a New York franchisee on December 19, 2018, at a time when we were not registered to sell franchises in the State of New York. As part of the AOD, we and Mr. Porter agreed to comply with all provisions of the New York Franchise Sales Act (the "Act") and to refrain from offering any franchises in the State of New York until we had a registered offering or had been granted an exemption from New York's registration requirements. We also agreed to offer rescission to the franchisee that purchased the franchise while we were not registered and to provide an affidavit demonstrating compliance with this requirement. Finally, we paid to the State of New York the sum of $10,000 in penalties and costs.

Except as set forth above, no litigation is required to be disclosed under this Item.

ITEM 4. BANKRUPTCY

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

ITEM 5. INITIAL FEES

Your initial franchise fee will be $45,000. The initial franchise fee is due when you sign the Franchise Agreement. In our last fiscal year (2025), the initial franchise fee we charged

ranged from $0 to $45,000, but the current initial franchise fee is uniform for all franchisees currently acquiring a franchise.

Otherwise, we do not require you to make any payments to us or our affiliate before you begin operating the Franchised Business.

We do not intend to refund any part of the initial franchise fee. However, if we terminate the franchise for good cause following your failure to satisfy the evaluation criteria during the 90-day probation period and failure to cure the deficiencies within the 30-day cure period following written notice, then we will refund half of the initial franchise fee to you within 30 days after you have fully performed your post-term obligations to our reasonable satisfaction.

ITEM 6. OTHER FEES

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Royalty Fee	3.5% of the Gross Revenues for first 24 months of operations. Beginning with the 25th month of operations and continuing for the remainder of the term of the Franchise Agreement, the Royalty Fee will be 4% of Gross Revenues.	Payable on or before the fifteenth day of each calendar month	See Note 2 for definition of Gross Revenues. See also Note 3.
Marketing Fee	Amount determined by us in our sole discretion, but not to exceed 1% of Gross Revenues. Currently, 0.4%.	Payable on or before the fifteenth day of each calendar month	
Late Fee	$100	Upon demand	Payable if you fail to pay us on time (plus interest)
Interest	Lesser of the daily equivalent of 1% per month of the overdue amount or the maximum rate permitted by law, for each day the amount is past due	Within 10 days after invoice	Payable if you fail to pay us on time (plus a late fee)

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Transfer Fee	$10,000	On or before date of transfer	Payable if you transfer your franchise, which transfer may only be to a transferee we approve
Successor Franchise Fee	50% of then-current initial franchise fee	On or before date of signing successor franchise agreement	
Technology Fee	Up to 1% of Gross Revenues but not currently charged	When implemented, payable on or before the fifteenth day of each calendar month	
Taxes	Amount assessed against us by federal, state and local tax authorities on any payments you make to us (up to the maximum rate under applicable law)	Within 10 days after invoice	Includes sales, gross receipt, excise, use or similar taxes (but not income tax) assessed against us
Additional Assistance Fee	Up to $500 per day of additional assistance	Within 10 days after invoice	Payable if you request, or if we reasonably determine that you need, additional assistance in the operation of your Franchised Business
Audit and Inspection Cost Recovery	Cost of audit or inspection and related expenses (expected to range from $500 to $1,000 per day or partial day)	Within 10 days after invoice	Payable only if an audit reveals that you paid us less than 98% of the correct amount owed or if you fail to cooperate with our auditors or inspectors
Indemnification Costs	Will vary under circumstances	As incurred	Payable only in certain situations described in the Franchise Agreement

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Dispute Resolution Costs	Costs, expenses, reasonable attorneys' fees	When dispute resolution concludes	Prevailing party is reimbursed by non-prevailing party for expenses to enforce the Franchise Agreement or to collect amounts owed
Project Management software maintenance agreement fee	$200 for the first user and $20 for each additional user (other than read-only users, for which there is no additional charge)	Monthly	We require you to purchase a maintenance agreement for the Project Management software. This fee is payable to us or a third party.
System Standards Upgrades	Expenditures necessary to comply with modified System Standards	Within 3 months after our request following modification of System Standards	Incurred only if we change any System Standards that require you to upgrade, modify and/or replace any equipment, signs or other items to conform to our then-current System Standards. You will not be required to make significant capital expenditures in this regard during the first 2 years of the franchise.

Notes:

1. This table lists the recurring and isolated fees that are uniformly imposed by and payable to us. No fees are refundable.

2. "Gross Revenues" means all revenue from the sale of all products and services, and all other income or consideration of every kind and nature received by you or the Franchised Business, all revenues associated with delivering and/or selling products or services off-premises to customers, and any proceeds from business interruption insurance, whether for cash, credit, charge account, debit account, exchange, barter or otherwise and regardless of collection, less (a) any sales taxes or other taxes collected by you from your customers and thereafter paid directly to the appropriate taxing authority and (b) any customer discounts or refunds. Amounts paid by gift

card, stored value card or similar program are included in Gross Revenues when the gift card, or other instrument or applicable credit is redeemed.

3. We may periodically implement incentive programs to encourage franchise system growth. For example, we may, in our sole discretion, permit franchisees in good standing to earn points on Royalty Fees paid, which may be redeemed for prizes. We reserve the right to modify or discontinue any incentive program we implement at any time in our sole discretion.

4. We do not have the right to require franchisees to form a local marketing cooperative.

ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT					
TYPE OF EXPENDITURE	AMOUNT OR RANGE		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAID
	LOW	HIGH			
Initial Franchise Fee (Note 1)	$45,000	$45,000	Lump sum	Upon signing the Franchise Agreement	Us
3 Months' Rent and Security Deposit (Note 2)	$0	$20,000	As required by landlord	As landlord requires	Landlord
Office Expenses (Note 3)	$1,000	$8,500	As required by payee	As incurred	Suppliers, utility companies
Vehicle (Note 4)	$0	$5,000	As required by payee	As incurred	Suppliers
Computer and Communication Equipment, Software and Services (Note 5)	$2,100	$5,000	As required by payee	Before beginning operations	Suppliers
Insurance (Note 6)	$2,000	$8,750	As required by payee	As insurer(s) require	Insurers
Training Expenses (Note 7)	$2,500	$6,000	As required by payee	Before beginning operations	Airlines, hotels, rent car company, restaurants, employees, etc.
Remodeling Couse (Note 8)	$0	$2,190	As required by payee	Before beginning operations	Approved supplier
Business Licenses (Note 9)	$200	$8,000	As required by payee	Before beginning operations	Governmental agencies
Professional Fees (Note 10)	$1,000	$3,000	As required by payee	Before beginning operations	Lawyers, accountants, etc.

YOUR ESTIMATED INITIAL INVESTMENT					
TYPE OF EXPENDITURE	AMOUNT OR RANGE		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAID
	LOW	HIGH			
Uniforms (Note 11)	$150	$750	As required by payee	Before beginning operations	Suppliers
Additional Funds for 3 Month Initial Period (Note 12)	$5,000	$10,000	As required by payee	As incurred	Employees, suppliers, utilities, etc.
TOTAL	$58,950	$122,190			

Notes:

1. Initial Franchise Fee. See Item 5 of this disclosure document, which describes the Initial Franchise Fee.

2. 3 Months' Rent and Security Deposit. It is possible to operate the Franchised Business from a home office or a mobile office from your vehicle. We do not require you to buy or lease any commercial space for your Franchised Business. The low end of the estimate of $0 assumes that you will operate the Franchised Business from a home office or mobile office. The high end of the estimate is for 3 months of rent for a commercial space having 2,500 square feet at $2 per square foot per month, with a $5,000 security deposit.

3. Office Expenses. The low end of this estimate assumes that you will operate the Franchised Business from a home office or mobile office that is already equipped with a majority of the furniture, utilities, equipment and supplies that you will need. The high end of this estimate is for 3 months of expenses for having a commercial office for your Franchised Business, including expenses such as: build-out, utility deposits, utilities, furniture, equipment, and supplies**.** If you have a commercial office space for your Franchised Business, at your option, you may include a showroom, which must meet our then-current requirements and be approved by us, in your commercial office. A franchisee that elects to include a showroom in its commercial office typically does not do so until the Franchised Business has been operating for a year or more. Consequently, this estimated initial investment does not include the cost of a showroom.

4. Vehicle. You must purchase, lease or own a vehicle that we have approved as meeting our specifications and standards for quality, design, appearance, function and performance for use in the operation of the Franchised Business. We currently do not require you to purchase, lease or own any particular vehicle for use in the Franchise Business. Most reliable passenger vehicles would be suitable. The low end of the estimate assumes that you will use your existing vehicle for the Franchised Business and that that vehicle meets our then-current requirements. The high end of the estimate is for the first 3 months of leasing a vehicle, with a down payment of $3,000, and monthly payments of $750 per month.

5. Computer and Communication Equipment, Software and Services. See Item 11 for additional information. The low end of the estimate assumes that you already own the majority of the required computer and communication equipment and have a majority of the required services and software.

6. Insurance. The estimates are for the first 3 months of premiums.

7. Training Expenses. See Item 11 for additional information regarding training. Includes estimated expenses for attendance of 1 franchisee representative at training. The low end of the estimate assumes that you live within daily driving distance of Franklin, Tennessee. The low estimate assumes that you will not attend the remodeling course (and you will not be authorized to perform remodeling services). The high estimate assumes that you will attend the remodeling course.

8. Training Course. See Item 11 for additional information regarding training. Includes estimated course fee for attendance by 1 franchisee representative. The low estimate assumes that you will not attend the remodeling course (and you will not be authorized to perform remodeling services).

9. Business Licenses. You must obtain all necessary licenses required by applicable law before you begin the Franchised Business.

10. Professional Fees. We do not require you to consult with a lawyer, accountant or other professional before beginning operations. However, we suggest that you do.

11. Uniforms. You must purchase uniforms and wear them while you are engaged in the Franchised Business.

12. Additional Funds. This amount is an estimate of the funds needed to cover initial operating expenses for your Franchised Business for a period of 3 months of operation (other than the items separately identified in the table), including vehicle insurance premiums, vehicle operating and maintenance costs, security deposits (other than under your lease), taxes, payroll, overhead, and other miscellaneous expenses, to the extent these expenses may exceed your revenues. We believe that the estimated amount will be sufficient to cover ongoing expenses in excess of your revenues for the first 3 months of operation. These figures are estimates and do not include any debt service payments. We relied on our experience since 2014 and PPMC's experience since 2010 in estimating your needs for additional funds. We do not offer financing for any part of the initial investment.

The table in this item estimates the major initial expense categories involved in establishing a Franchised Business according to our current System Standards.

None of the fees and costs listed in this table that are payable to us are refundable. Fees and costs payable to suppliers and other third parties above generally are not refundable unless you negotiate this with them.

ITEM 8. RESTRICTIONS ON SOURCE OF PRODUCTS AND SERVICES

Approved Items, Services and Suppliers

To ensure uniformity and quality of services by all franchisees, you must purchase or lease or otherwise use in the establishment and operation of the Franchised Business all signs, equipment, supplies, marketing materials, uniforms and many other items used in the Franchised Business according to our written specifications. You must also purchase certain services used in the establishment and operation of the Franchised Business according to our written specifications. These specifications may include minimum standards for quality, performance, compatibility, design, appearance and other restrictions as we periodically determine. These specifications are contained in the Manual or will otherwise be provided to you in writing. We may periodically change these specifications, by written notice to you or through changes to the Manual, and you must promptly comply with the changed standards following notice to you. You may incur expenses or increased costs to comply with any changes. See Item 11 for additional information on the computer equipment and software.

You must purchase or lease certain items and services only from suppliers that we have approved in writing. Items in this category include: swimming pool equipment and building materials. A complete list of these items and services, and the approved suppliers for each, is contained in the Manual or will otherwise be provided to you in writing. Our approved suppliers have demonstrated to our satisfaction that they have the ability to meet our standards and specifications for the relevant items and services, that they possess adequate quality controls, and that they have the capacity to supply your needs promptly and reliably. We have the right to change the list of approved suppliers, and we will notify you in writing of any revocation of supplier approval. You must promptly change suppliers if we so require.

Approved suppliers may make payments to us or our affiliates on account of transactions with our franchisees. Approved suppliers pay a rebate of 0% to 30% of the purchase price of materials and/or equipment purchased by our franchisees. In our last fiscal year (2025), revenues from suppliers on account of purchases of items and services by our franchisees were $16,213,824, all of which was paid to our affiliate Premier Holdco. We and our affiliates may use all amounts received from suppliers and/or distributors, whether or not based on your or other franchisees' actual or prospective dealings with them, without restriction for any purposes that we or our affiliates deem appropriate.

We and our affiliates are currently approved suppliers for certain services used in the establishment and operation of the Franchised Business. We are the sole approved supplier for certain printed marketing materials and promotional items for our franchisees. One of our officers owns an interest in one of our suppliers. We or our affiliates may become the sole approved supplier of additional items or services in the future.

We and/or our affiliates may directly derive revenue based on your purchases and leases, including from charging you for products and services that we or our affiliates provide to you. We expect, however, that the sales price for any items or services that we or our affiliates offer to you will be at or below market price. In our last fiscal year (2025), neither we nor any of our affiliates derived any direct revenues or other material consideration from required purchases or leases by franchisees.

We may attempt to negotiate purchase arrangements from approved suppliers for the benefit of our franchisees, based upon the combined buying power of our franchise network. These discounts, if obtained, may result in lower prices for the items being purchased or other benefits such as reduced prices for warehousing, delivery and other services. In order for our franchisees to obtain volume discounts and other benefits, we may require you to purchase items and services from suppliers with whom we have negotiated purchase arrangements. While we currently do not do so, we may implement, and you will be required to participate in, a group purchasing organization whereby we purchase certain products directly from manufacturers and sell them to our franchisees. We believe sales prices will be less than what franchisees currently pay for such products and will also provide profit to us by eliminating the distributor. Currently, there are no purchasing or distribution cooperatives.

Failure to purchase required items and services from approved suppliers may be a material default under the Franchise Agreement. We consider a variety of factors when determining whether to renew or grant additional franchises. Among the factors we consider is compliance with the requirements described in this Item 8. Otherwise, we do not provide material benefits to you for your use of designated or approved suppliers.

Cost Allocation

The cost of purchasing items or services from us or our affiliates (excluding fees) would likely represent 0% of your total purchases in connection with the establishment of a Franchised Business, and 0% to 25% of your total purchases in connection with the ongoing operation of the Franchised Business. We estimate that the cost of purchasing items and services from approved suppliers (other than us or our affiliates) will represent about 0% to 5% of your total purchases in establishing your Franchised Business, and about 25% to 65% of your total purchases in the continuing operation of the Franchised Business. We estimate that the cost of purchasing items and services according to our specifications where no approved suppliers have been identified will represent about 0% to 10% of your total purchases in establishing your Franchised Business and about 15% to 30% of your total purchases in the continuing operation of the Franchised Business.

Approval Process

If you desire to use or offer additional items or services that we have not approved, or you desire to purchase approved items and services from a supplier that we have not approved, for the Franchised Business, you must first obtain our written consent. We will consider any written request by you for approval of additional items, services, or suppliers (although we are not obligated to approve any). We do not have any formal policies or procedures for approving new items or services, or for revoking approval. The primary factors in our analysis of possible new items and services are whether the item or service would be a good

fit in our franchise system; and whether the item or service would enhance the Franchised Business. This analysis involves the subjective opinion of our management. We do not have any formal policies or procedures for approving new suppliers, or for revoking approval. The primary factors in our analysis of suppliers are whether the supplier has the ability to meet quality and uniformity standards and specifications for the relevant items and services, and whether the supplier has the capacity to supply our franchisees' needs promptly, reliably and economically. This analysis also involves the subjective opinion of our management.

In connection with any request by you for approval of additional items, services or suppliers, we may require you to provide us with photographs, drawings, specifications, samples or any additional materials or information we desire to evaluate your request. We do not charge any fee for product/supplier approval; however, you must pay for our reasonable expenses in evaluating your request. We will notify you of our approval or disapproval of any new item, service or supplier requested by you within a reasonable time (usually within 120 days) after we have received all of the relevant information requested. We may withhold approval of any item, service or supplier, as we determine in our discretion. We have the right to revoke approval of any item, service, or supplier at any time for any reason, and we will notify you of any revocation of approval.

Insurance Requirements

You must maintain in force at your expense the following minimum insurance coverage. These requirements represent minimum standards only; additional coverage beyond these minimums is permitted and may be advisable based on your individual risk exposure. We currently require you to maintain, at a minimum, the following coverage: (1) Commercial General Liability (CGL). You must maintain CGL insurance, including products/completed operations, property damage, owned and non-owned automobile, and personal injury coverage, with limits of at least $1,000,000 per occurrence, $2,000,000 aggregate, with $5,000 per person medical payments. (2) Commercial Automobile Liability (CAL). You must maintain automobile liability coverage for owned, non-owned, and hired vehicles with limits of at least $1,000,000 combined single limit per accident. (3) Workers' Compensation and Employer's Liability. To the extent required by applicable law and to the extent you have employees, you must maintain workers' compensation insurance at statutory limits in each jurisdiction where you operate, plus employer's liability coverage with limits of at least $1,000,000 per accident, per employee, and policy limit. Franchisees with no employees should consult with legal counsel and a licensed insurance professional regarding these obligations in their jurisdiction. (4) Umbrella / Excess Liability. You must maintain umbrella or excess liability coverage with limits of at least $3,000,000 per occurrence and in the annual aggregate, applying excess of your underlying CGL, CAL, and employer's liability policies. We also recommend, but do not require, Contractors Professional Liability coverage and other coverages described in our Operations Manual. Our detailed insurance requirements are described in Exhibit D to the Franchise Agreement.

Your policies must be issued by an insurer licensed in your state and rated no less than A / VIII in Best's Insurance Reports. You must name us and any affiliates we designate as Additional Insureds on your CGL, CAL, and Umbrella / Excess policies on a primary and non-contributory basis. All policies must contain a waiver of subrogation in our favor and provide at least 30 days' prior written notice before cancellation or material alteration, and

10 days' prior notice for cancellation due to non-payment. Before your Franchised Business begins operations, you must provide us with current certificates of insurance. You must promptly provide updated certificates upon each renewal and, upon our request, copies of any required policy documents and endorsements within 10 days. If you use subcontractors, you must require them by written contract to maintain equivalent coverage, including naming us as an Additional Insured on a primary and non-contributory basis. Insurance requirements are subject to change. We may reasonably increase minimum requirements annually and otherwise modify requirements from time to time. The cost of your insurance will vary based on the size, location, and nature of your business and other factors. You are solely responsible for assessing your own risk exposure and obtaining any additional coverage you deem necessary. Your obligation to maintain required insurance is not limited by any insurance we maintain.

ITEM 9. FRANCHISEE'S OBLIGATIONS

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

OBLIGATION	SECTION IN FRANCHISE AGREEMENT	DISCLOSURE DOCUMENT ITEM
a. Site Selection and acquisition / lease	2.03, 4.01	Items 7, 11
b. Pre-opening purchases / leases	4.02, 4.03, 4.14, 4.15, 4.18, 4.23	Items 5, 7, 8, 11
c. Site development and other pre-opening requirements	4.01, 4.04, 4.09, 4.13, 4.14, 4.15, 4.16, 4.17,	Items 7, 11
d. Initial and ongoing training	5.02, 5.03, 5.04	Items 6, 7, 11
e. Opening	4.04	Item 11
f. Fees	7	Items 5, 6, 7
g. Compliance with standards and policies / Manual	2.02, 4.05, 4.06, 4.07, 4.08, 8	Items 7, 8, 11, 12, 13, 14, 15, 16
h. Trademarks and proprietary information	9	Items 11, 13, 14
i. Restrictions on products / services offered	4.14	Items 1, 8, 12, 14, 16
j. Warranty and customer service requirements	4.12	Item 15
k. Territorial development and sales quotas	2.03, 4.17, 4.22	Item 12
l. Ongoing product / service purchases	4.03, 4.15,	Items 8, 11
m. Maintenance, appearance and remodeling requirements	4.02, 4.03, 4.10, 4.12, 4.13	Item 7
n. Insurance	13.01, 13.02	Items 7, 8
o. Advertising	4.17	Items 6, 11
p. Indemnification	13.03, 13.04	Item 6

OBLIGATION	SECTION IN FRANCHISE AGREEMENT	DISCLOSURE DOCUMENT ITEM
q. Owner's participation / management / staffing	5.01	Items 11, 15
r. Records / reports	7.09, 7.10, 7.11, 7.12, 7.13, 7.14	Item 6
s. Inspection/audits	11	Item 6
t. Transfer	14	Items 6, 17
u. Renewal	3.02, 3.03	Item 17
v. Post-termination obligations	16	Items 6, 17
w. Non-competition	4.21, 16.08	Items 15, 17
x. Dispute resolution	17	Items 6, 17

ITEM 10. FINANCING

We do not offer direct or indirect financing. We do not guarantee your notes, leases or any other obligations.

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

Except as listed below, we do not have to provide any assistance to you.

Pre-Opening Obligations

The Franchise Agreement obligates us to provide certain assistance and services to you, but the Franchise Agreement generally does not specify whether these services must be provided before or after you begin operating the Franchised Business. It is our intention, however, to provide the following assistance to you before you begin operations:

1. We will provide you with electronic access to our Manual. (Section 6.01)

2. We will provide an initial training program to you, your Manager and at least 1 of your owners, unless you were a former licensee of PPMC. (Sections 5.02 & 6.04)

3. We will approve or reject any proposed site for your Franchised Business. (Section 6.07)

4. We will review the proposed lease (if any) for your Franchised Business premises and offer our suggestions. (Section 6.07)

5. If you will have a commercial space for your Franchised Business premises, we will provide you with prototype plans and specifications for the design and layout of your premises. (Section 6.07)

6. We will provide you with a list of any required items and services, and we will provide you with a list our approved suppliers. (Section 6.02)

7. We will provide you with other reasonable pre-opening assistance and consultation. (Sections 6.03 & 6.06)

8. We will coordinate with you to develop a marketing plan for your Franchised Business. (Section 6.10(a))

Continuing Obligations

During the operation of the Franchised Business, we are required under the terms of the Franchise Agreement to provide our franchisees with the following assistance:

1. We will provide you with reasonable assistance and consultation regarding the operation of your Franchised Business. (Section 6.08)

2. We will notify you about any changes in the System Standards. (Section 6.01)

3. We will provide you with marketing materials. There is no charge for the initial supply of marketing materials we provide. We will provide additional marketing materials at your cost. (Section 6.10(b))

The remainder of Item 11 describes some of these obligations in more detail.

Manual

We will provide you with access to our Manual, which contains mandatory and suggested specifications, standards, and operating procedures applicable to the Franchised Business. The Manual is confidential and remains our property. The table of contents for the Manual is attached as *Exhibit D*, from which you can determine the number of pages devoted to each topic. There are currently 116 total pages in the Manual. (Section 6.01)

Training

Initial Training Program. We (and/or a designated supplier) will provide an initial training program for you and your representatives. You are required to successfully complete this training program to our satisfaction. If you fail to successfully complete the training program to our satisfaction, we may require you to attend additional live training programs (at your cost) or we may require you to appoint a manager and to have that new manager successfully complete the online training program. If, after this corrective action, you or your manager fails to successfully complete the initial training program to our satisfaction, we may terminate the Franchise Agreement. We may, in our sole discretion, elect not to provide the initial training to any manager or other trainee who has at least 6 months' prior experience in the management and operation of a System Business. If you are an entity, 1

of your owners also must successfully complete the initial training program to our satisfaction. (Sections 5.02 & 6.04)

Our initial training program has 2 components: live training and on-line training. There is no tuition or other fee for the initial training courses that we offer. We will provide the instruction and training materials free of charge. The fee for the Remodels course offered by our designated supplier ranges from $1,690 to $2,190. All expenses incurred in the live initial training for you, your owners, your representative, or any other of your trainees will be your responsibility, including the cost of travel, transportation, meals, lodging, incidental expenses, and any wages. (Sections 5.02 & 6.04)

TRAINING PROGRAM

ONLINE INITIAL TRAINING PROGRAM			
SUBJECT	**HOURS OF CLASSROOM TRAINING**	**HOURS OF ON-THE-JOB TRAINING**	**LOCATION**
Sales	25	0	Online
Construction	10	0	Online
Operations	13	0	Online
Total Hours	48	0	

LIVE INITIAL TRAINING PROGRAM			
SUBJECT	**HOURS OF CLASSROOM TRAINING**	**HOURS OF ON-THE-JOB TRAINING**	**LOCATION**
Sales	1.5	0	Franklin TN
Construction	14	3	Franklin TN
Operations	10	2	Franklin TN
Remodels (required if you choose to offer remodeling services)	16	0	Various locations in the US
Total Hours with Remodels **Total Hours without Remodels**	**25.5** **41.5**	**5** **5**	

The hours shown above include approximate time for 1 trainee. Actual training time will depend on the experience and learning ability of the trainee.

Our online initial training program is available continuously. In order to complete the online training program, you will need access to a computer with internet access. You may complete the on-line training program on your own time and at your own pace; however, you must complete all of the on-line training modules to our satisfaction within 60 days after you sign the Franchise Agreement. Each module includes an on-line test, on which you must score at least 80% in order to pass.

If you choose to offer pool and spa remodeling services, then you must attend and pass the Remodels course. The Remodels course is provided by an approved third-party supplier, typically on a monthly or bi-monthly basis. The other components of our live initial training program are offered as needed, usually at least once per year. You must attend all of the live training program, and complete it to our satisfaction within 90 days after you sign the Franchise Agreement.

Our training program is under the direction of Greg Adams, our Vice President of Franchise Development and Strategic Planning. Mr. Adams has been a trainer with us since October 2021. He has more than 11 years' experience in the pool industry, including owning a franchised System Business.

Additional Training

You and/or your representative also may attend optional additional or refresher training programs that we may offer, and must attend all mandatory additional or refresher training programs that we may offer; however, we will not require you to attend more than 4 business days of additional or refresher training each year. We will provide instructors, and training materials for these programs (if any). You will be responsible for all expenses for travel, transportation, meals, lodging and wages you or your representative incur in attending these programs. (Sections 5.03 & 6.05)

Conferences

We may in the future sponsor periodic conferences for our franchisees, at which seminars, workshops and other training may be conducted. We may require you or your representative to attend each conference. You will be required to pay for lodging, meals, local transportation, other travel and incidental expenses, compensation and benefits incurred in attending a conference. (Sections 4.19 & 6.09)

Marketing

Marketing Plan

We will coordinate with you to develop a marketing plan for the first year of operations of your Franchised Business, which you must follow.

Marketing Programs.

We conduct advertising, publicity, public relations, promotion, and/or market research activities ("Marketing Programs") to promote public awareness and patronage of the Franchised Businesses. All of our franchisees must participate in the Marketing Programs.

We have sole discretion over all aspects of Marketing Programs, including the materials and media used and their placement and allocation. We may engage in national, regional and/or local advertising, which may be primarily disseminated via television, radio, newspapers, industry magazines, directories, direct mail and/or other collateral materials. We may primarily utilize national and/or regional marketing agencies to create and place any advertisements, with the participation and supervision of our in-house staff. We may also engage in other types of national, regional and local Marketing Programs.

Funding for the Marketing Programs comes from a national marketing fund (the "Marketing Fund") into which each franchisee's monthly marketing fee is deposited. See Item 6.

We are not obligated to supplement the marketing fees, but we, our affiliates, marketing partners, and approved suppliers may also periodically contribute monies, services and/or materials to the marketing effort. While any System Business operated by us or our affiliates (currently, one) will not be required to contribute to the Marketing Fund on the same basis as our franchisees or otherwise, we or the applicable affiliate may, in our or its (as applicable) discretion, elect to contribute to the Marketing Fund for that System Business. Currently, our one company-owned System Business elects to contribute to the Marketing Fund.

We or our designee will administer the Marketing Fund. Unaudited financial statements for the Marketing Fund will be prepared each year, and will be available to franchisees upon request. Any monies that remain in the Marketing Fund at the end of a year will be carried over for use in the following year. The Marketing Fund may be used to compensate us (or our affiliates) for any administrative or other services provided to any Marketing Program and for our related out-of-pocket costs. In particular, the salaries of in-house advertising personnel may be paid by the Marketing Fund. The Marketing Fund will not be used for the solicitation or sales of franchises. We may terminate any Marketing Program at our discretion. The Marketing Programs as a whole, however, will not be terminated until all money in the Marketing Fund has been spent for the purposes described above. In our last fiscal year (2025), the Marketing Fund expenditures were spent as follows: 21% on software and email, 8% on print media, 65% on administrative expenses, and 6% on Web Site Optimizations and video production.

We do not have to expend any sums for marketing in any particular territory. We and our designee are not obligated, in administering the Marketing Program, to make expenditures

for you that are equivalent or proportionate to your contribution, or to ensure that any particular franchisee benefits directly or pro rata from the Marketing Program. (Sections 4.17 & 6.10) There is no advertising council composed of franchisees.

Local Marketing. In order to provide your Franchised Business with the best chance of success, we require that you spend at least 1.25% of your Gross Revenues each month to conduct your own local advertising, publicity, public relations, promotional and other marketing programs for your Franchised Business within the Territory (as defined in Item 12), and you must submit proof of these expenditures to us. All materials you use in your local marketing efforts must conform to System standards, including proper Mark usage, and be approved in writing by us before you use them. We may, at our option, offer to provide (either free or at prices that reasonably cover our direct and indirect costs) approved advertising and promotional plans and other materials, which we may develop for use by franchisees in local marketing. We have the right, at any time after you begin using approved marketing materials, to prohibit further use, effective immediately upon your receipt of written notice. You may not direct your local marketing to any prospective customers outside your Territory. You are restricted from making press releases regarding the Franchised Business, and from making contributions or donations in the name of the Franchised Business (or otherwise associated with the Marks) without our consent. (Section 4.17(b)) We do not have the right to require franchisees to form a local or regional marketing cooperative.

System Website. We or one or more of our designees may establish a website or series of websites or similar technologies, including mobile applications and other technological advances that perform functions similar to those performed on traditional websites, for the Premier Pools & Spas/Pinnacle Pools & Spas network to advertise, market and promote System Businesses, the products and services they offer, and the System Business franchise opportunity; to facilitate the operations of System Businesses; and/or for any other purposes that we determine is appropriate for System Businesses (those websites, applications and other technological advances are collectively called the "System Website"). If we include information about the Franchised Business on the System Website, then you agree to give us the information and materials that we periodically request concerning the Franchised Business and otherwise participate in the System Website in the manner that we periodically specify. We have the final decision concerning all information and functionality that appears on the System Website and will update or modify the System Website according to a schedule that we determine. By posting or submitting to us information or materials for the System Website, you are representing to us that the information and materials are accurate and not misleading and do not infringe any third party's rights. You must notify us whenever any information about you or the Franchised Business on the System Website changes or is not accurate.

We own all intellectual property and other rights in the System Website and all information it contains, including the domain name or URL for the System Website and all subsidiary websites, the log of "hits" by visitors, and any personal or business data that visitors (including you, your personnel and your customers) supply. We may use the marketing fees that we collect from franchisees to develop, maintain, support and update the System Website. We may implement and periodically modify System Standards relating to the System Website and, at our option, may discontinue all or any part of the System Website, or any services offered through the System Website, at any time.

All local marketing that you develop for the Franchised Business must contain notices of the System Website in the manner that we periodically designate. You may not develop, maintain or authorize any other website, other online presence or other electronic medium (such as mobile applications, kiosks and other interactive properties or technology-based programs) that mentions or describes you, the Franchised Business or its products or services or that displays any of the Marks. Except for the System Website (if applicable), you may not conduct commerce or directly or indirectly offer or sell any products or services using any website, another electronic means or medium, or otherwise over the Internet or using any other technology-based program without our approval. If, however, you are a conversion franchise and have an existing website that we have approved, you will maintain the existing website if we require, and you will add whatever links or other information to the System Website (if applicable) that we require.

Nothing in this "System Website" subsection limits our right to maintain websites and technologies other than the System Website or to offer and sell products or services under the Marks from the System Website, another website or technology, or otherwise over the Internet (including to the Franchised Business's customers and prospective customers) without payment or obligation of any kind to you. (Section 6.11)

Social Media. You must comply with our policies and requirements (as we periodically modify them) concerning blogs, common social networks like Facebook, professional networks like Linked-In, live-blogging tools like Twitter, virtual worlds, file, audio and video sharing sites like Pinterest and Instagram, and other similar social networking or media sites or tools (collectively, "Social Media") that in any way reference the Marks or involve the Franchised Business. These policies may involve limitations or prohibitions on your and your representatives' use of Social Media in connection with the Marks or the Franchised Business. (Section 4.17(c))

Special Accounts

We have the right to enter into agreements with certain customers who have or are likely to have need for swimming pools or spas in multiple market areas ("Special Accounts"). Under a Special Account agreement, we, on behalf of ourselves and our participating franchisees, may agree to provide certain items or services at certain specified prices or according to certain specified procedures. If any Special Account has any projects for your construction Pool Types and/or remodeling services (if applicable) in the Territory that are subject to the Special Account agreement, then we will offer you the opportunity to participate in those projects under the Special Account agreement. Your participation is voluntary. However, if you choose to participate, then you will be required to comply with the terms of the Special Account agreement. If you choose not to participate, then we may provide, or may allow another franchisee, affiliate or approved supplier to provide, the items or services for the Special Account in the Territory. See Item 12. (Sections 4.26 & 6.14)

Computer / Communication System

We require you to purchase and/or lease, according to our specifications, certain computer and communication equipment, software, apps and services for use in connection with your Franchised Business, including: computer hardware; computer software; internet equipment

and services; fax machine or equivalent software, and telephone services, apps and equipment. We expect the cost of a laptop computer, printer and scanner for your Franchised Business will be less than $5,000. Any required computer equipment may be used to: monitor projects; administer client accounts; calculate your Gross Revenues; calculate royalties and other fees payable to us; manage financial records and reporting; communicate with us electronically; access the Manual, download and print System documents; prepare and submit to us periodic reports; and perform other functions. The type of information or data that may be collected or generated include: customer information; sales; fees; taxes; and other matters. We may have independent access to certain information and data that you may be required to maintain.

We will have the right at any time to access your information, upload and download data, troubleshoot and perform diagnostic checks, and retrieve whatever data and information we want from your computer and communication system, and you will cooperate with us completely in any of these tasks. This information will become our property. There are no contractual limits upon our independent access to your data.

You must keep your computer and communication equipment and services in good maintenance and repair. We may periodically require you to upgrade or update the required equipment and services during the term of the franchise, and there is no contractual limitation on the frequency or cost of these upgrades or updates. If we require the purchase of additional computer and communication equipment, software, apps or services, or other equipment and services, we will provide you with reasonable consultation to assist you to comply with our requirements, and we will provide a list of any approved suppliers. You must promptly purchase and/or lease, install, and implement at your expense, any additions, changes, modifications or substitutions to your computer and communication equipment, software, apps and services as we may periodically require within the time period we reasonably specify (which will be at least 30 days). (Section 4.16)

In view of the anticipated interconnection of computer systems and the necessity that the systems be compatible, strict compliance with our standards and specifications relating to the computer system will be essential. We may require that you license proprietary computer software that we or our affiliate or third party may develop for use in the Franchised Business, and, if so, we will require you to execute a software license agreement as we specify, and pay a reasonable license fee. You will not install or permit the installation of any unauthorized software on your computer equipment, without our prior written consent. You will use your computer system only in connection with the Franchised Business and only according to the System standards. Unless we agree otherwise, you will use only 1 computer in your Franchised Business to connect to, and communicate with, our computer system, and you must maintain all data relating to your Franchised Business on this same computer. If you use any other computers in your Franchised Business, you must give us full access to those computers anytime we request (including if we audit your Franchised Business). (Section 4.16)

The current <u>minimum</u> required computer and communication equipment and services are described below:

Hardware Component or Service	Function
High-speed Internet connection (Wi-Fi, DSL or cable) and e-mail account	Allows access to our intranet system and electronic communication and data transfer.
Laptop computer unit • Sufficient capability to run the software described below • Miscellaneous (batteries, cords, connections, etc.)	Runs the software described below.
Scanner	Allows scanning of contracts, check-off lists, and other documents that will need to be uploaded into Project Management Software.
Fax machine (or fax software for computer)	Fax transmissions.
Software • Microsoft Windows 7 or newer (Microsoft) • Microsoft Office (Microsoft) • QuickBooks PRO (Intuit) • Utility programs (e.g., Symantec) • Internet / communications software • Structure Studios: Pool Studio • Project Management Software	Allows CPUs to perform required word processing and communication functions.
Digital cell phone service.	Voice and text communications. Paging.

With the exception of Project Management Software, you are not required to enter into any ongoing maintenance and support agreement for your computer hardware or software, but may find it advantageous to do so. We require you to purchase a maintenance agreement for the Project Management software, which has a monthly cost of $200 for the first user and $20 for each additional user (other than read-only users, for which there is no additional charge). You must update or upgrade computer hardware, services, apps and software as we deem necessary, but not more than once each year. We do not have any contractual obligation to provide ongoing maintenance, repairs, upgrades or updates. We are not able to reasonably estimate the costs of any maintenance, repairs, upgrades or updates.

Site Selection

We do not provide any assistance in site selection. You will be solely responsible for locating and obtaining a suitable site for your Franchised Business. Your location must be within the Territory unless you have our written consent. You must obtain our prior approval of your business location. (Sections 4.01 & 6.07) The initial factor we consider in approving a proposed site is whether the location is home-based or in a commercial space. If the proposed site is in a commercial space, we also consider suitability of the space, the general

location and neighborhood, and other existing tenants. There is no specified time limit for us to approve your proposed site. We usually make a decision within about a week after receiving all of the relevant paperwork we request. If we cannot agree on a site, you must propose additional sites until we approve one. If you do not obtain our approval of a site for the Franchised Business within 12 months after the effective date of the Franchise Agreement, we may terminate the Franchise Agreement.

Length of Time Before Start of Franchised Business

You must begin operating the Franchised Business within 2 months after the effective date of the Franchise Agreement. (Section 4.04) The typical time between signing the Franchise Agreement and beginning operation of the Franchised Business is 1 to 2 months. The primary factors that could affect this time are the time required for you to obtain any necessary financing, obtain a suitable business location, obtain any required permits or licenses, successfully complete our initial training program, hire any employees, and obtain required equipment and supplies. You must schedule the opening date with us for a mutually convenient date.

Purchasing

We provide some specifications and a list of approved suppliers for equipment, signs, fixtures, opening inventory and supplies. We do not sell these items to you, and we do not deliver or install them.

Pricing

We have no obligation to assist you in establishing prices, and we do not set minimum and/or maximum prices at which you must sell products and services. As stated above, however, under a Special Account agreement, we, on behalf of ourselves and our participating franchisees, may agree to provide certain items or services at certain specified prices.

ITEM 12. TERRITORY

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

Each franchisee will be allocated a specified geographic territory designated by contiguous zip code regions, by street or other physical boundaries, or by city, county or other political boundaries. Generally, each territory will include at least 1 to 4 counties. Before you sign the Franchise Agreement with us, we will designate your territory, based on the market size that we believe you will reasonably be able to service (the “Territory”). The Territory is described in Exhibit A to the Franchise Agreement. We do not have any particular formula for this determination. If you do not agree with our determination of the Territory, you have the option not to purchase the franchise.

Under the Franchise Agreement, you are limited to marketing, offering for sale, and selling approved items and services only to customers whose job sites are located in the Territory and only for your construction Pool Types and/or remodeling services (if applicable). Your construction Pool Types may include gunite, fiberglass, and/or vinyl. As stated in Item 11, except for the System Website (if applicable), you may not conduct commerce or directly or indirectly offer or sell any products or services using any website, another electronic means or medium, or otherwise over the Internet or using any other technology-based program without our approval. Except as stated in this Item 12, there are no restrictions on you from soliciting or accepting orders from consumers who are located outside your Territory for a job site for your construction Pool Type or remodeling (if applicable) that is located in the Territory through any means, including catalogue sales, telemarketing or other direct marketing, or through alternative distribution methods.

You have no rights under the Franchise Agreement to use, and you will not use, without our prior written consent, the System or the Marks outside the Territory. In addition, you will not offer or sell items or services for customer job sites located outside the Territory, without our prior written consent. You will not offer or sell items or services for swimming pool and spa construction other than for your Pool Types, without our prior written consent. You will not offer or sell items or services for swimming pool and spa remodeling unless we have authorized you to perform remodeling services in the Franchise Agreement or unless you otherwise have received our prior written consent.

If you are in compliance with the terms of the Franchise Agreement, including compliance with your Minimum Annual Performance Requirements (as defined in Section 4.22 of the Franchise Agreement) for each of your construction Pool Types and remodeling (if applicable) under the terms of Section 4.22 of the Franchise Agreement, any other agreement between you (or any of your affiliates) and us (or any of our affiliates), and any and all agreements between you and the suppliers for your Franchised Business, during the term of the Franchise Agreement, then (a) neither we nor any of our affiliates will establish or operate, or license any third party to establish or operate, a System Business for any of your construction Pool Types and/or remodeling (if applicable), the physical business premises of which is located within the Territory; (b) neither we nor any of our affiliates will provide, or license any third party to provide, swimming pool and spa construction services for any of your construction Pool Types through a System Business using the Marks and the System to customers whose job sites will be located in the Territory; and (c) if we have authorized you to perform remodeling services, neither we nor any of our affiliates will provide, or license any third party to provide, swimming pool and spa remodeling services through a System Business using the Marks and the System to customers whose job sites will be located in the Territory. The restrictions in the preceding sentence, however, will not apply to any Special Account customer whose job site for one of your construction Pool Types or remodeling (if applicable) will be located in the Territory, if you decline to service that Special Account customer pursuant to Section 4.26 of the Franchise Agreement, as detailed below and in Item 11.

We (and any affiliates that we may have periodically) will at all times have the right to engage in any activities that we or they consider appropriate that are not expressly prohibited by the Franchise Agreement, including:

(A) owning, acquiring, establishing and/or operating, and licensing third parties to establish and operate, (i) System Businesses for all swimming pool and spa types, the physical business premises of which are located outside the Territory, and (ii) System Businesses for swimming pool and spa construction other than your Pool Types, the physical business premises of which are located in the Territory, and (iii) unless we have authorized you to provide remodeling services, System Businesses for swimming pool and spa remodeling, the physical business premises of which are located in the Territory;

(B) providing, and licensing third parties to provide, construction or remodeling services for swimming pools or spas through a System Business using the Marks and the System to (i) customers for all swimming pool and spa types, whose job sites will be located outside the Territory, (ii) customers for swimming pool and spa construction types other than your Pool Types, whose job sites will be located in the Territory, (iii) unless we have authorized you to provide remodeling services, customers for swimming pool and spa remodeling services, whose job sites will be located in the Territory, and (iv) customers for your construction Pool Types and/or remodeling services, whose job sites will be located in the Territory if the customer is a Special Account customer that you decline to service under the terms of Section 4.26 of the Franchise Agreement;

(C) owning, acquiring, establishing and/or operating, and licensing others to establish and operate, businesses under other proprietary marks or other systems, for all swimming pool and spa types, at any location in or outside the Territory (even if these businesses are in competition with the Franchised Business);

(D) acquiring, or being acquired by, one or more businesses providing products and services similar or dissimilar to those provided by System Businesses, and franchising, licensing, or creating other arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating, whether within or outside the Territory; and

(E) exercising all rights relating directly or indirectly to the Marks, and all products and services associated with any of the Marks, in connection with any method of distribution (including the Internet), except as specifically set forth in the preceding paragraph.

This includes providing, and granting third parties the right to provide, except as specifically stated in the preceding paragraph, products and services to customers and other third parties that are similar or dissimilar to, or competitive with, any products and services provided by the Franchised Business, whether identified by the Marks or other trademarks or service marks, regardless of the method of distribution (including through the Internet (including the System Website), retail outlets, shipping, and delivery). We do not have any obligation to compensate you for soliciting or accepting orders from inside your Territory. Nothing in the Franchise Agreement restricts the right of our affiliate, PPSF, or any other affiliate, to develop and operate, and license third parties to develop and operate, businesses to market, sell, and provide cleaning, maintenance, repair, and other services for swimming pools and spas of all types and sell related items and services under the "Premier Pool Service," "Pinnacle Pool Service," and other trademarks, regardless of whether such businesses are located in or outside the Territory.

You may not direct your local marketing to any prospective customers outside your Territory.

Unless you have our written consent otherwise, your office (if applicable) must be located within the Territory. We allow you to relocate your office within the Territory, so long as your new office location satisfies our approval criteria and you obtain our prior written consent.

The continuation of your limited rights in the Territory and in your construction Pool Types and remodeling services (if applicable) depends upon your meeting your Minimum Annual Performance Requirements. Specifically, before you sign the Franchise Agreement with us, we will advise you of the Minimum Annual Performance Requirements for each of your construction Pool Types and remodeling (if applicable) with which you must comply during each successive 12-month period during the term of the Franchise Agreement. (These Minimum Annual Performance Requirements will be reflected in Exhibit A of the Franchise Agreement.) We will determine your Minimum Annual Performance Requirements based on the potential construction and remodeling (if applicable) revenues we reasonably expect you to achieve due to various factors regarding the Territory, possibly including the number of households, median income, and previous swimming pool sales. We do not have any specific formula for determining the annual performance quotas. If you fail to comply with any of the Minimum Annual Performance Requirements during any applicable period for any of your construction Pool Types and/or remodeling (if applicable), we may unilaterally amend your Franchise Agreement to reduce the size of the Territory, eliminate your limited rights in the Territory, eliminate any of your construction Pool Types, eliminate remodeling (if applicable), and/or eliminate your limited rights in the Territory for your construction Pool Types and/or remodeling (if applicable), by giving you 30 days' written notice, or we may terminate the Franchise Agreement by giving you 30 days' written notice.

There are no other circumstances that permit us to modify your territorial rights. If you lose your limited rights in the Territory as to any of your construction Pool Types and/or remodeling (if applicable) because you failed to meet the Minimum Annual Performance Requirements, we may solicit and accept orders in the Territory, and we may allow our affiliates and other franchisees to do so, for any construction Pool Types and/or remodeling not allocated (or no longer allocated) to you. Similarly, if you choose not to participate in Special Accounts for your construction Pool Types and/or remodeling (if applicable) in the Territory, we or other franchisees may service the relevant Special Account(s) for your construction Pool Types and/or remodeling (as applicable) in the Territory. In these situations, we will not provide any compensation to you on account of any orders solicited or accepted in the Territory.

We do not provide you with any contractual option rights or other rights of first refusal to acquire any additional franchises or territory. However, if you are a franchisee in good standing with us and our affiliates and suppliers, we may offer you the opportunity to purchase additional franchises or territory.

We and our affiliates do not operate or franchise, and have no plans to operate or franchise, any competing business under any other marks.

ITEM 13. TRADEMARKS

The Franchise Agreement grants you the right to operate the Franchised Business under the trade name "Premier Pools & Spas" or "Pinnacle Pools & Spas," and to use the other Marks during the term of the Franchise Agreement, only in the manner we authorize, and only in connection with the Franchised Business. We may require or permit you to use other marks that we include as part of the System in the future, in our sole discretion.

As of the date of this disclosure document, the following Marks for use with the System have been registered on the Principal Register in the United States Patent and Trademark Office (the "USPTO") for the relevant uses:

MARK	REGISTRATION NUMBER	REGISTRATION DATE
PREMIER POOLS & SPAS [word mark]	4,549,941	June 17, 2014
POOLAPALOOZA [word mark]	4,171,421	July 10, 2012
A PASSION FOR SPLASHIN' [word mark]	4,695,813	March 3, 2015
READY, SET, SUMMER [word mark]	6,812,882	August 9, 2022
READY, SET, SWIM [word mark]	6,814,914	August 9, 2022
PINNACLE POOLS & SPAS [word mark]	6,663,970	March 8, 2022
	7,346,630	April 2, 2024

The registrations for these Marks have been or will be renewed periodically as required, including the filing of all required affidavits.

In addition, we have applied to register the following Marks on the Principal Register of the USPTO:

MARK	SERIAL NO.	APPLICATION DATE
	97870201	April 3, 2023 (application is currently suspended)

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

There are currently no effective determinations of the USPTO, Trademark Trial and Appeal Board, the trademark administrator of this state or any court, pending infringement, opposition or cancellation proceedings, or pending material litigation involving the principal trademark.

We are aware of certain instances of competing rights regarding the Premier Pools & Spas Mark, which may involve superior prior rights or infringing uses of the Mark. In Florida, a business based in Kissimmee, Florida uses the name "Premier Pool Services," a business based in Naples, Florida uses the name "Premier Pool Service, Inc.," a business based in Tallahassee, Florida uses the name "Premier Pools Tallahassee," and a business based in Winter Park, Florida uses the name "Premier Pools of Central Florida, Inc." In Georgia, a business based in Acworth, Georgia uses the name "Atlanta Premier Pools," a business based in Canton, Georgia uses the name "Premier Pool Enterprises," and a business based in Columbus, Georgia uses the name "Premier Pool Service." In Nebraska, a business based in Omaha, Nebraska uses, and has obtained a Nebraska state registration for, the mark "Premier Pools and Spas." In Texas, a business in Lewisville, Texas uses, and has obtained a Texas state registration for, the mark "Premier Pools." In Wisconsin, a business based in Waukesha, Wisconsin uses the name "Premier Pools." In Texas, a business based in Houston, Texas uses the name "Third Coast Premier Pools," a business based in Austin, Texas uses the name "Premier Pool Solutions," a business based in Socorro, Texas uses the name "Premier Pools & Spas," and a business in Texas uses the name "Premier Classic Pools and Outdoors." In Ohio, a business based in Macedonia, Ohio uses the name "Premier 1 Pool and Patio," a business based in Xenia, Ohio uses the name "Premier Hardscaping and Pools," and a business based in Central Ohio uses the name "The Premier Pool Company." In Arizona, a business based in Phoenix, Arizona uses the name "Premier Pool Co." In California, a business based in Irvine, California uses the name "Premier Landscape, Pool Construction & Design." In Florida, a business based in Palatka, Florida uses the name "Premier Pools and Spas Inc."

We are aware of certain instances of competing rights regarding the Pinnacle Pools & Spas Mark, which may involve superior prior rights or infringing uses of the Mark. In California, a business based in Los Altos, California uses the name "Pinnacle Pool Care, Inc," a business based in Orangevale, California uses the name "Pinnacle Pool Service," a business based in San Jose, California uses the name "Pinnacle Pool Care Inc.," and a business based in Walnut Creek, California uses the name "Pinnacle Pool," "Pinnacle Pool and Spa," and "Pinnacle Pool and Spa Service." In Florida, a pool construction business based in Naples, Florida uses the name "Pinnacle USA," and a business based in Wesley Chapel, Florida uses the name "Pinnacle Pool and Spa." In Georgia, a business based in the Atlanta metropolitan area uses the name "Pinnacle Pool Services." In Kansas, a business based in Overton Park, Kansas uses the name "Pinnacle Pool Services, LLC." In Nevada, a business based in Henderson, Nevada uses the name "Pinnacle Peak Pool and Lawn Services," and a business based in Las Vegas, Nevada uses the name "Pinnacle Pools Service." In Texas, a business based in Manvel, Texas uses the name "Pinnacle Pool Care," and a business based in the San Antonio, Texas area also uses the name "Pinnacle Pool Care." In California, a business based in Sacramento, California uses the name "Pinnacle Pools and Landscape." In Florida, a business based in Wesley Chapel, Florida uses the name

“Pinnacle Pool And Spa LLC.” In Nevada, a business based in Las Vegas, Nevada uses the name “Pinnacle Pools.”

In 2012, our affiliate, PPMC, and one of PPMC’s licensees entered into an agreement with Premier Pools of Central Florida, Inc. under the terms of which PPMC and PPMC’s licensee agreed that they would not use, in any manner, the “Premier Pools & Spas” word Mark, a specified “Premier Pools & Spas” design mark, or any mark likely to be confused with those marks in the following counties in Florida: Marion, Orange, Osceola, Polk and Seminole. PPMC further agreed that it would not permit any of its licensees or franchisees to use the applicable marks in these counties. In 2017, PPMC entered into a settlement agreement with Premier Pools, Inc. in Lewisville Texas under which PPMC was granted the exclusive, irrevocable right to use the “Premier Pools and Spas” mark in the Dallas-Ft. Worth, Texas area; upon PPMC’s satisfaction of its payment obligations under the settlement agreement, this right will be perpetual. Other than these two agreements, we and our affiliates are not parties to any currently effective agreements that limit or relate to our rights to license or use any of the Marks.

Except as described above, there are no uses of the Marks actually known to us that could materially affect your use of the Marks in the state in which your Franchised Business is located or elsewhere. We will not be granting any franchises using any Mark or trade name that would infringe on any superior rights to a mark already used by an existing business in the area.

We are the registered owner of the Marks. You must follow our rules regarding use of the Marks. You will display the Marks and give notice of trademark registration and claims in the following manner: “Premier Pools & Spas®” or “Pinnacle Pools & Spas®,” as applicable (or as otherwise required in the Manual). You must cooperate with us and the Marks Owner in maintaining registrations and prosecuting applications for the Marks, and in otherwise securing and preserving our rights in the Marks. Marks may be used only in connection with the Franchised Business and may not be used in your corporate name or legal name. Marks may not be used in connection with any unauthorized item or service, or in any manner not expressly authorized by the Franchise Agreement.

The Franchise Agreement requires that you notify us promptly in writing of (1) any adverse or infringing uses of the Marks (or names or symbols confusingly similar), our confidential information or other System intellectual property, and (2) any threatened or pending litigation relating to the Marks or System against (or naming as a party) you or us, of which you become aware. We have the right, in our sole discretion, to (i) handle disputes with third parties concerning use of all or any part of the Marks or System in any manner we deem appropriate, (ii) choose whether or not to initiate suits or proceedings to enforce or protect rights related to the Marks or the System, and (iii) direct and control any litigation or administrative proceeding relating to the Marks or the System. You must cooperate fully and in good faith with our efforts to resolve these disputes. We may bring suit in your name or join you as a party to the relevant proceedings. We may resolve any dispute in our sole discretion, including by obtaining a license of the property for you at no expense to you or by requiring that you discontinue using the infringing property or modify use to avoid infringing the rights of others.

Nevertheless, we will defend you against any third-party claim, suit, or demand arising out of your use of the Marks. If we determine that you have used the Marks according to the Franchise Agreement and Manual, we will bear the cost of your defense, including the cost of any judgment or settlement. If we determine that you have not used the Marks according to the Franchise Agreement or Manual, you will bear the cost of, and reimburse us for, your defense, including the cost of any judgment or settlement. If there is litigation relating to your use of the Marks, you must execute any documents and do any acts as may be necessary, in our opinion, to carry out such defense or prosecution, including becoming a nominal party to any legal action. Except to the extent that the litigation is the result of your use of the Marks in a manner inconsistent with the terms of the Franchise Agreement or Manual, we will reimburse you for your out-of-pocket litigation costs in cooperating with us with respect to the litigation.

We reserve the right to substitute different proprietary marks for use in identifying the System, the businesses operating under them, and/or the services offered, if the Marks no longer can be used, or if we determine that substitution of different proprietary marks will be beneficial to the System. In these circumstances, the terms of the Franchise Agreement will govern the use of the substituted proprietary marks, and we will not compensate you for this substitution. You must promptly implement any substitutions of this kind, at your expense.

Any use of the Marks not authorized by the Franchise Agreement provisions will be deemed an infringement. You will have no right to license others to use the Marks.

ITEM 14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Patents

There are no registered patents or pending patent registration applications that are material to the franchise.

Copyrights

No registered copyrights are material to the franchise. We claim copyright protection for our marketing materials, training materials, operational materials and Manual, but do not register the copyright material with the United States Copyright Office of the Library of Congress. We own all proprietary rights in and to the System, including the Manual, marketing materials, training materials, and any other proprietary materials we may develop.

Confidential Information

You must not, during or after the term of the Franchise Agreement communicate, divulge, or use for the benefit of any other person, any non-public trade secrets, proprietary information, technical data, or know how which relate to our business, System, services or products, or to a Franchised Business, we may communicate to you, including the Manual, specialized operating methods, quality-control systems, training materials, and information regarding salary, research, products, services, developments, inventions, processes, techniques, designs, marketing, finances, field operations, and computer hardware and

software. Any information or techniques we designate as confidential must be treated by you as confidential. You may divulge confidential information only to those employees of yours who must have access to it in order to fulfill their employment obligations (and only after they have signed confidentiality and non-competition agreements in a form we have approved), or if disclosure is required to comply with an order of a court or arbitrator. You cannot, without our prior written consent, copy, duplicate, record or otherwise reproduce any confidential materials or information, in whole or in part, or otherwise make them available to any unauthorized person.

Your direct and indirect owners must execute and deliver to us the Guaranty and Assumption of Obligations in the form attached to the Franchise Agreement (the "Guaranty"). You must have your manager and other employees sign a confidentiality and non-competition agreement (in a form we have approved) as a condition to their employment. Any other officers, agents or representatives of yours who may have access to any of our confidential information must also sign agreements stating that they will maintain the confidentiality of information they receive in connection with their employment. We require that these agreements be in a form satisfactory to us, including specific identification of us as a third-party beneficiary of the covenants, with the independent right to enforce them.

Manual

You must treat the Manual, all other written System Standards, and the information contained in them as confidential, and use all reasonable efforts to maintain the information as secret and confidential. You may not at any time, without our prior written consent, copy, duplicate, record, or otherwise reproduce any part of these materials, nor otherwise make them available to any unauthorized person. The Manual will at all times remain our sole property. We may periodically revise the contents of the Manual, and you must comply with each new or changed System Standard designated as mandatory. If there is ever a dispute about the contents of the Manual, the terms of the applicable version we maintain online will be controlling.

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

During the term of the Franchise Agreement, you (if you are an individual) or one of your owners (if you are an entity) owning at least 10% equity interest in you must devote full time, energy, attention, and best efforts to the management and operation of the Franchised Business. You and your officers, directors, owners and managers may not participate in any other business, without our prior written consent.

Both you (if you are an individual), or one of your owners (if you are an entity), and your manager, must successfully complete our online initial training program, as described in Item 11.

If you are an entity, your direct and indirect owners must execute and deliver to us the Guaranty, under which they promise to be personally bound, jointly and severally, by all of the Franchise Agreement's provisions. Your managers and employees must sign a form

confidentiality and non-competition agreement, which you will prepare and submit to us for our prior approval. You will not permit or allow your owners, managers, employees or other representatives to engage in any conduct which is unlawful or damaging to the goodwill or public image of the System or the Marks.

If you have a spouse or a registered domestic partner, your spouse or domestic partner may be required to sign the Spousal Consent to the Franchise Agreement that appears immediately after the signature page of the Franchise Agreement. If you are an entity with any owners who have a spouse or registered domestic partner, that spouse or domestic partner may be required to sign the Spousal Consent for Guaranty and Assumption of Obligations that appears immediately after the signature page of the Guaranty. If required, these consent forms will obligate spouses to the respective agreements, even if they are not involved in operation of the Franchised Business.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

See Item 12 for an explanation of your construction Pool Types.

You are restricted with respect to the products or services you may offer and sell. To ensure that the highest degree of quality and service is maintained, you must operate the Franchised Business in strict conformity with the System Standards we require in the Manual or otherwise in writing, as periodically amended. You must offer and sell only the items and services that we approve, unless you have our prior written consent. However, you are not required to offer and sell all of the items and services that we approve. For those approved items and services you are authorized to offer, sell and provide, you must offer, sell and provide them according to our mandatory System Standards. You must use only the items and supplies that conform to our mandatory System Standards. You must not deviate from our mandatory System Standards, such as by using or offering nonconforming items or supplies, or by deviating from required procedures. Failure to follow our mandatory System Standards may result in termination of the franchise. If we change the System Standards, you will upgrade, modify and/or replace any equipment, signs or other items to conform to our then-current System Standards within 3 months after our request, up to a maximum annual expenditure of $5,000. You will not be required to make significant capital expenditures in this regard during the first 2 years of the franchise, but you may be required to purchase additional equipment necessary to offer and sell new items or services.

We have the right to change the approved items and services, and there are no limits on our right to make these changes. You must begin to offer and sell any new items or services we approve in writing, and stop offering and selling any items or services we disapprove, within the time period we reasonably require (which will be at least 30 days). You may suggest new items and services to us, but you cannot offer or sell the items or services unless we provide you with our written approval and System Standards for their use.

You may sell approved items and services at any prices you determine, and you will not be bound by any price we suggest. However, in determining your prices, you must consider the general image of the System. Except for the territory restrictions and pool and spa type

restrictions described in Item 12, we do not impose restrictions or conditions that limit your access to customers.

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

This table lists certain important provisions of the Franchise Agreement. You should read these provisions in the Franchise Agreement attached to this disclosure document.

THE FRANCHISE RELATIONSHIP			
PROVISION		**SECTION IN FRANCHISE AGREEMENT**	**SUMMARY**
a	Length of the term of the franchise	3.01	10 years, unless terminated earlier
b	Renewal or extension of the term	3.02	Subject to your compliance with certain specified conditions, you will have the right to acquire a successor franchise to continue operating the Franchised Business for one successor franchise term of five years.
c	Requirements for franchisee to renew or extend	3.03	Written notice, no default, sign new agreement, pay successor franchise fee, and others. The new agreement may have materially different terms than those contained in your original contract.
d	Termination by franchisee	15.07	Only if we have committed a material breach and failed to cure within 2 months (subject to state law)
e	Termination by us without "cause"	N/A	No right to terminate without cause
f	Termination by us with "cause"	15.01, 15.02, 15.03, 15.04	If you default or otherwise breach the Franchise Agreement, or certain events occur (like your bankruptcy), or a material term of the Franchise Agreement is held invalid
g	"Cause" defined -- curable defaults	15.01, 15.03, 15.04	10-day cure period for late payments and reports; 30-day cure period for many other defaults
h	"Cause" defined -- defaults which cannot be cured	15.02	Bankruptcy, assignment for benefit of creditors, conviction of crime, abandonment, material misrepresentation, unapproved transfer, and others

THE FRANCHISE RELATIONSHIP			
PROVISION		**SECTION IN FRANCHISE AGREEMENT**	**SUMMARY**
i	Franchisee's obligations on termination/non-renewal	16	Pay outstanding amounts, return confidential information, discontinue use of Marks and System, provide us a list of customers and jobs in progress, cooperate with us as we require to ensure customer satisfaction for those jobs, and others
j	Assignment of contract by us	14.01	No restriction on our right to transfer
k	"Transfer" by franchisee – defined	14.02	Includes transfer of any interest under Franchise Agreement, in Franchised Business, or in you (if you are an entity)
l	Our approval of franchisee's transfer	14.02	We have the right to approve all Transfers and qualify all transferees in our sole discretion
m	Conditions for our approval of transfer	14.03	Written notice, transferee qualifications, no default, payment of transfer fee, sign general release, execute new franchise agreement, and others
n	Our right of first refusal to acquire Franchisee's business	14.04	We can match any bona fide offer.
o	Our option to purchase Franchisee's business	16.10	Upon expiration or termination, we can buy some or all of your assets.
p	Franchisee's death or disability	14.05	Interest must be assigned to approved transferee within 6 months.
q	Non-competition covenants during the term of the franchise	4.21	During the term of the Franchise Agreement, prohibitions on involvement in any business whose methods of operation, trade dress, or business concept is the same as or similar to that of System Businesses, or that sells, constructs, remodels, or supervises the construction or remodeling of swimming pools and/or spas, other than the Franchised Business. To ensure compliance with this restriction, you and your officers, directors, owners, and Managers may not participate in any other business without our prior written consent

THE FRANCHISE RELATIONSHIP			
PROVISION		**SECTION IN FRANCHISE AGREEMENT**	**SUMMARY**
r	Non-competition covenants after the franchise is terminated or expires	16.08	For 2 years after the expiration or termination of the Franchise Agreement or any Transfer, prohibitions on soliciting customers of the Franchised Business or any of our affiliates, franchisees, or licensees, involvement in any business that sells, constructs, remodels, or supervises the construction or remodeling of swimming pools or spas within 50 miles of the Territory or any territory assigned to any of our franchisees or licensees or serviced by us or our affiliates, and interfering with our relationship with any person, including any person who at any time during the term of the Franchise Agreement was a contractor, supplier, or customer of ours or yours
s	Modification of the agreement	4.22, 18.02	Generally, no modification of agreements unless in writing and signed. We may, however, modify the System and the Manual and reduce the size of the Territory (and/or eliminate your limited rights in the Territory or your Pool Types and/or remodeling) if you fail to comply with your Minimum Annual Performance Requirements.
t	Integration / merger clause	18.06	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.

THE FRANCHISE RELATIONSHIP			
PROVISION		**SECTION IN FRANCHISE AGREEMENT**	**SUMMARY**
u	Dispute resolution by arbitration or mediation	17.01, 17.02	Mandatory arbitration of disputes, at the request of either party, where we then maintain our principal place of business, currently Franklin, Tennessee (subject to state law). Any dispute reasonably valued at $10,000 or less, however, is excepted from these mandatory arbitration requirements.
v	Choice of forum	17.02(f), 17.05	Federal or state court closest to where we then maintain our principal place of business, currently Franklin, Tennessee (subject to state law)
w	Choice of law	18.04	Tennessee law applies (subject to state law)

APPLICABLE STATE LAW MAY REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION IN THIS DISCLOSURE DOCUMENT. THESE ADDITIONAL DISCLOSURES, IF ANY, APPEAR IN AN ADDENDUM. See *Exhibit A*.

ITEM 18. PUBLIC FIGURES

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

ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

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

This Financial Performance Representation (“FPR”) reflects the historical average and median Gross Revenues for 108 Franchised Businesses which were open and operating for a full year as of December 31, 2025. As of December 31, 2025, we had 125 total Franchised Businesses open and operational. For purposes of this FPR, we have excluded 17 Franchised Businesses which first opened during 2025 but were not open for the full 12

months as of December 31, 2025, and 15 Franchised Businesses which closed permanently during 2025.

Summary	
Total Number of Franchises Open for Full Year 2025	108
Average Gross Revenues	$4,016,212
Median Gross Revenues	$3,052,327
Number of Units Above Average	40
Number of Units Below Average	68
Percentage of Units Above Average	37%
Percentage of Units Below Average	63%
Highest Gross Revenue	$16,402,127
Lowest Gross Revenue	$153,604

The following table presents Gross Revenues information from the same Franchised Businesses identified above but the Franchised Businesses have been grouped by quartile based on Gross Revenues. The following tables reflect the historical average and median Gross Revenues by quartile for all 108 Franchised Businesses which were open and operating for a full year as of December 31, 2025. The explanatory notes following the table are an important part of the information presented. Written substantiation for the financial performance representation will be made available to prospective franchisees on reasonable request.

Annual Gross Revenue Quartiles	Number of Units
Top 25% of Franchised Businesses	27
Second 25% of Franchised Businesses	27
Third 25% of Franchised Businesses	27
Fourth 25% of Franchised Businesses	27

Top 25% of Franchised Businesses	
Total Number of Franchises Open for Full Year 2025	27
Average Gross Revenues	$8,936,187
Median Gross Revenues	$7,906,436
Number of Units Above Average	11
Number of Units Below Average	16
Percentage of Units Above Average	41%
Percentage of Units Below Average	59%
Highest Gross Revenue	$16,402,127
Lowest Gross Revenue	$5,171,042

Second 25% of Franchised Businesses	
Total Number of Franchises Open for Full Year 2025	27
Average Gross Revenues	$3,989,482
Median Gross Revenues	$3,946,842
Number of Units Above Average	13
Number of Units Below Average	14
Percentage of Units Above Average	48%
Percentage of Units Below Average	52%
Highest Gross Revenue	$4,981,962
Lowest Gross Revenue	$3,071,829

Third 25% of Franchised Businesses	
Total Number of Franchises Open for Full Year 2025	27
Average Gross Revenues	$2,354,585
Median Gross Revenues	$2,507,701
Number of Units Above Average	14
Number of Units Below Average	13
Percentage of Units Above Average	52%
Percentage of Units Below Average	48%
Highest Gross Revenue	$3,302,825
Lowest Gross Revenue	$1,390,568

Fourth 25% of Franchised Businesses	
Total Number of Franchises Open for Full Year 2025	27
Average Gross Revenues	$784,595
Median Gross Revenues	$660,326
Number of Units Above Average	12
Number of Units Below Average	15
Percentage of Units Above Average	44%
Percentage of Units Below Average	56%
Highest Gross Revenue	$1,372,119
Lowest Gross Revenue	$153,604

Explanatory Notes to the Financial Information:

1. Source of Data. The data presented in this table reflects actual historic financial results regarding the Franchised Businesses which were open and operating for at least 12 months as of December 31, 2025, as reported to us by our franchisees. The table does not include data from the 17 Franchised Businesses that closed during 2025. Of these

Franchised Businesses that closed in 2025, none had been open for less than 12 months.

2. Total Gross Revenues. The data presented in the table reflects total Gross Revenues only. "Gross Revenues" means all revenue from the sale of all products and services, and all other income or consideration of every kind and nature received by you or the Franchised Business, all revenues associated with delivering and/or selling products or services off-premises to customers, and any proceeds from business interruption insurance, whether for cash, credit, charge account, debit account, exchange, barter or otherwise and regardless of collection, less (a) any sales taxes or other taxes collected by you from your customers and thereafter paid directly to the appropriate taxing authority and (b) any customer discounts or refunds. Amounts paid by gift card, stored value card or similar program are included in Gross Revenues when the gift card, or other instrument or applicable credit is redeemed. Gross Revenues do not account for any expenses or other deductions, such as payments to contractors, royalty fees, payroll, insurance, income taxes and other overhead. You should consider the effect of all expenses on your expected revenues.

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

Some franchisees have achieved these Gross Revenues. Your individual results may differ. There is no assurance that you'll achieve these amounts.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting our Chief Executive Officer, Paul Porter, 1221 Liberty Pike, Franklin, TN 37067, 844-366-2102, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2023 TO 2025

COLUMN 1 OUTLET TYPE	COLUMN 2 YEAR	COLUMN 3 OUTLETS AT THE START OF THE YEAR	COLUMN 4 OUTLETS AT THE END OF THE YEAR	COLUMN 5 NET CHANGE
Franchised*	2023	126	126	0
	2024	126	123	-3
	2025	123	125	+2
Company-Owned	2023	1	1	0

Table No. 1 SYSTEMWIDE OUTLET SUMMARY FOR YEARS 2023 TO 2025				
COLUMN 1 **OUTLET TYPE**	**COLUMN 2** **YEAR**	**COLUMN 3** **OUTLETS AT THE START OF THE YEAR**	**COLUMN 4** **OUTLETS AT THE END OF THE YEAR**	**COLUMN 5** **NET CHANGE**
	2024	1	1	0
	2025	1	1	0
Total Outlets	2023	127	127	0
	2024	127	124	-3
	2025	124	126	+2

* As of December 31, 2023, 14 franchised outlets operated under the “Pinnacle Pools & Spas” mark. The remaining franchised outlets, and the company-owned outlet, operated under the “Premier Pools & Spas” mark. As of December 31, 2024, 15 franchised outlets operated under the “Pinnacle Pools & Spas” mark. The remaining franchised outlets, and the company-owned outlet, operated under the “Premier Pools & Spas” mark. As of December 31, 2025, 16 franchised outlets operated under the “Pinnacle Pools & Spas” mark. The remaining franchised outlets, and the company-owned outlet, operated under the “Premier Pools & Spas” mark.

Table No. 2 TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR) FOR YEARS 2023 TO 2025		
COLUMN 1 **STATE**	**COLUMN 2** **YEAR**	**COLUMN 3** **NUMBER OF TRANSFERS**
None	2023	0
	2024	0
	2025	0
Total	2023	0
	2024	0
	2025	0

Table No. 3

STATUS OF FRANCHISED OUTLETS FOR YEARS 2023 TO 2025

COL. 1 STATE	COL. 2 YEAR	COL. 3 OUTLETS AT START OF YEAR	COL. 4 OUTLETS OPENED	COL. 5 TERMINATIONS	COL. 6 NON-RENEWALS	COL. 7 REACQUIRED BY FRANCHISOR	COL. 8 CEASED OPERATIONS OTHER REASONS	COL. 9 OUTLETS AT END OF THE YEAR
AL	2023	2	0	0	0	0	0	2
	2024	2	1**	1	0	0	0	2
	2025	2	2	0	0	0	0	4
AR	2023	2	0	1	0	0	0	1
	2024	1	1	0	0	0	0	2
	2025	2	0	0	0	0	0	2
AZ*	2023	3	0	2	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
CA	2023	14	1	0	0	0	0	15
	2024	15	0	0	0	0	0	15
	2025	15	3	4	0	0	0	14
CO	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
DE	2023	1	0	1	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
FL*	2023	14	4	4	0	0	0	14
	2024	14	2	2	0	0	0	14
	2025	14	3	1	0	0	0	16
GA*	2023	5	0	1	0	0	0	4
	2024	4	0	0	0	0	0	4
	2025	4	0	0	0	0	0	4
IA	2023	3	0	0	0	0	0	3
	2024	3	0	1	0	0	0	2
	2025	2	0	0	0	0	0	2
ID	2023	2	0	0	0	0	0	2
	2024	2	0	1	0	0	0	1
	2025	1	2	1	0	0	0	2
IL	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	2	0	0	0	0
IN	2023	4	0	1	0	0	0	3
	2024	3	0	2	0	0	0	1

Table No. 3

STATUS OF FRANCHISED OUTLETS FOR YEARS 2023 TO 2025

COL. 1 STATE	COL. 2 YEAR	COL. 3 OUTLETS AT START OF YEAR	COL. 4 OUTLETS OPENED	COL. 5 TERMINATIONS	COL. 6 NON-RENEWALS	COL. 7 REACQUIRED BY FRANCHISOR	COL. 8 CEASED OPERATIONS OTHER REASONS	COL. 9 OUTLETS AT END OF THE YEAR
	2025	1	0	0	0	0	0	1
KS	2023	1	1	1	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	1	1	0	0	0	1
KY	2023	2	1	1	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
LA	2023	2	0	0	0	0	0	2
	2024	2	0	1	0	0	0	1
	2025	1	1	0	0	0	0	2
MA	2023	1	0	0	0	0	0	1
	2024	1	0	1	0	0	0	0
	2025	0	0	0	0	0	0	0
MD	2023	1	0	0	0	0	0	1
	2024	1	0	1	0	0	0	0
	2025	0	0	0	0	0	0	0
ME	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
MI	2023	1	1	1	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	1	0	0	0	0	2
MO*	2023	2	0	0	0	0	0	2
	2024	2	1	1	0	0	0	2
	2025	2	0	0	0	0	0	2
MS	2023	2	1	1	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
MT	2023	1	0	1	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
NC	2023	5	2	0	0	0	0	7
	2024	7	2	1	0	0	0	8
	2025	8	2	2	0	0	0	8
NE*	2023	1	0	1	0	0	0	0

Table No. 3

STATUS OF FRANCHISED OUTLETS FOR YEARS 2023 TO 2025

COL. 1 STATE	COL. 2 YEAR	COL. 3 OUTLETS AT START OF YEAR	COL. 4 OUTLETS OPENED	COL. 5 TERMINATIONS	COL. 6 NON-RENEWALS	COL. 7 REACQUIRED BY FRANCHISOR	COL. 8 CEASED OPERATIONS OTHER REASONS	COL. 9 OUTLETS AT END OF THE YEAR
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
NH	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
NJ	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
NM	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	1	0	0	0	0
NV	2023	2	0	1	0	0	0	1
	2024	1	2	1	0	0	0	2
	2025	2	0	0	0	0	0	2
NY	2023	3	0	0	0	0	0	3
	2024	3	0	2	0	0	0	1
	2025	1	0	0	0	0	0	1
OH	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
	2025	5	0	0	0	0	0	5
OK	2023	1	0	1	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
OR	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
PA	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
SC	2023	1	2	0	0	0	0	3
	2024	3	1	0	0	0	0	4
	2025	4	1	0	0	0	0	5
TN*	2023	8	1	1	0	0	0	8
	2024	8	2	0	0	0	1**	9
	2025	9	0	2	0	0	0	7

Table No. 3

STATUS OF FRANCHISED OUTLETS FOR YEARS 2023 TO 2025

COL. 1 STATE	COL. 2 YEAR	COL. 3 OUTLETS AT START OF YEAR	COL. 4 OUTLETS OPENED	COL. 5 TERMINATIONS	COL. 6 NON-RENEWALS	COL. 7 REACQUIRED BY FRANCHISOR	COL. 8 CEASED OPERATIONS OTHER REASONS	COL. 9 OUTLETS AT END OF THE YEAR
TX*	2023	22	4	3	0	0	0	23
	2024	23	3	3	0	0	0	23
	2025	23	1	1	0	0	0	23
UT	2023	2	1	0	0	0	0	3
	2024	3	0	1	0	0	0	2
	2025	2	0	0	0	0	0	2
VA	2023	4	2	0	0	0	0	6
	2024	6	0	0	0	0	0	6
	2025	6	0	0	0	0	0	6
WA	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Total	2023	126	22	22	0	0	0	126
	2024	126	17	19	0	0	1**	123
	2025	123	17	15	0	0	0	125

* As of December 31, 2023, 14 franchised locations operate in these states under the “Pinnacle Pools & Spas” mark; the remaining franchised locations operate under the “Premier Pools & Spas” mark. As of December 31, 2024, 15 franchised locations operate in these states under the “Pinnacle Pools & Spas” mark; the remaining franchised locations operate under the “Premier Pools & Spas” mark. As of December 31, 2025,16 franchised locations operate in these states under the “Pinnacle Pools & Spas” mark; the remaining franchised locations operate under the “Premier Pools & Spas” mark.

** In 2024, a franchisee relocated from Tennessee to Alabama, and we reclassified the franchisees into its new state. When we reclassify a franchisee’s state, we count the franchisee’s new state as an “outlet opened,” and the franchisee’s former state as a unit that “ceased operations for other reasons.” This treatment is necessary to assure internal consistency in this table among the various categories and state totals each year. However, the relocated unit did not actually cease operations. Rather, the franchisee continued to operate as before. As a result of the reclassification, the number of new “outlets opened” and the number of “ceased operations for other reasons” in 2024 is slightly skewed.

Table No. 4

STATUS OF COMPANY-OWNED OUTLETS FOR YEARS 2023 TO 2025

COL. 1 STATE	COL. 2 YEAR	COL. 3 OUTLETS AT START OF THE YEAR	COL. 4 OUTLETS OPENED	COL. 5 OUTLETS REACQUIRED FROM FRANCHISEE	COL. 6 OUTLETS CLOSED	COL. 7 OUTLETS SOLD TO FRANCHISEE	COL 8 OUTLETS AT END OF THE YEAR
CA	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1
Total	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1

Table No. 5

PROJECTED OPENINGS AS OF DECEMBER 31, 2025

COLUMN 1 STATE	COLUMN 2 FRANCHISE AGREEMENTS SIGNED BUT OUTLET NOT OPENED	COLUMN 3 PROJECTED NEW FRANCHISED OUTLETS IN THE NEXT FISCAL YEAR	COLUMN 4 PROJECTED NEW COMPANY-OWNED OUTLETS IN THE NEXT FISCAL YEAR
Arizona	0	1	0
California	2	1	0
Colorado	0	1	0
Connecticut	0	1	0
Florida	0	2	0
Georgia	0	1	0
Illinois	0	1	0
Indiana	0	2	0
Kansas	1	1	0
Louisiana	0	1	0
Michigan	0	1	0
Minnesota	0	1	0
Mississippi	0	1	0
Missouri	0	1	0
New York	0	1	0
North Carolina	0	1	0
Oklahoma	0	2	0
Pennsylvania	0	1	0
South Carolina	0	1	0

Table No. 5 PROJECTED OPENINGS AS OF DECEMBER 31, 2025			
COLUMN 1 **STATE**	**COLUMN 2** **FRANCHISE AGREEMENTS SIGNED BUT OUTLET NOT OPENED**	**COLUMN 3** **PROJECTED NEW FRANCHISED OUTLETS IN THE NEXT FISCAL YEAR**	**COLUMN 4** **PROJECTED NEW COMPANY-OWNED OUTLETS IN THE NEXT FISCAL YEAR**
Tennessee	1	1	0
Texas	0	1	0
Virginia	0	1	0
Wisconsin	0	1	0
Total	4	26	0

Our current franchisees are listed in *Exhibit F*.

Franchisees who have had an agreement terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement during our last fiscal year, or who have not communicated with us within 10 weeks of the date of this disclosure document are listed in *Exhibit F*.

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

No current or former franchisee has signed any confidentiality clauses with us during the last 3 years that restricts the current or former franchisee from discussing his or her personal experience as a franchisee in our franchise system with any prospective franchisee.

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

ITEM 21. FINANCIAL STATEMENTS

Exhibit E to this disclosure document contains our audited financial statements as of December 31, 2025, December 31, 2024 and December 31, 2023. Our fiscal year end is December 31 each year.

ITEM 22. CONTRACTS

The following sample contracts are included as exhibits to this disclosure document:

1. Franchise Agreement (*Exhibit C*)

2. Form of General Release *(Exhibit G)*
3. Franchisee Questionnaire *(Exhibit E to Franchise Agreement)*

ITEM 23. RECEIPTS

Our and your copies of the Franchise Disclosure Document Receipt are the last pages of this disclosure document.

Remainder of Page Intentionally Left Blank.

EXHIBIT A
to Franchise Disclosure Document

STATE ADDENDA

1. **NO WAIVER OR DISCLAIMER OF RELIANCE IN CERTAIN STATES**. The following provision applies only to Premier Pools & Spas/Pinnacle Pools & Spas franchisees and franchises that are subject to the state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

> No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

2. The following are additional disclosures for the Premier Franchise Management LLC Franchise Disclosure Document required by various state franchise laws. Each provision of these additional disclosures will not apply unless, with respect to that provision, the jurisdictional requirements of the applicable state franchise registration and disclosure law are met independently without reference to these additional disclosures.

CALIFORNIA

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

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

2. The URL addresses of our websites are www.premierpoolsandspas.com, www.ppas.com, and www.pinnaclepoolsandspas.com. OUR WEBSITES HAVE NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THESE WEBSITES MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION at www.dfpi.ca.gov.

3. The following language is added to the "Remarks" section of the line item titled "Interest" in Item 6:

The highest interest rate allowed under California law is 10% annually.

4. The following paragraphs are added at the end of Item 17:

California Law Regarding Termination and Nonrenewal. California Business and Professions Code Sections 20000 through 20043 provide rights to franchisees concerning transfer, termination, and non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, then the law will control.

Post-Termination Noncompetition Covenants. The Franchise Agreement contains a covenant not to compete that extends beyond termination of the franchise. This provision might not be enforceable under California law.

Applicable Law. The Franchise Agreement requires application of the laws of the State of Tennessee. This provision might not be enforceable under California law.

Bankruptcy. The Franchise Agreement provides for termination upon insolvency, bankruptcy, or re-organization. This provision might not be enforceable under federal bankruptcy law (11 U.S.C.A. Sections 101 et seq.).

Material Modification. Section 31125 of the Franchise Investment Law requires us to give you a disclosure document approved by the Commissioner of Financial Protection & Innovation before we ask you to consider a material modification of your franchise agreement.

Release. You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

Arbitration. The Franchise Agreement requires binding arbitration at the request of either party; however, any dispute reasonably valued at $10,000 or less is except from these mandatory arbitration requirements. Unless mutually agreed by the parties, all arbitration proceedings will be held at a location that the arbitrator chooses within 10 miles of our then-current principal business address (currently, Franklin, Tennessee). The fees of, and authorized costs incurred by, the arbitrator will be shared equally by the

parties, and each party will bear its own arbitration costs. The arbitration decision, however, will provide that the substantially prevailing party will recover from the other party its actual costs and expenses incurred in connection with the dispute. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

5. 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.

6. **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.**

7. No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. Any statements or representations signed by a franchisee purporting to understand any fact or its legal effect shall be deemed made only based upon the franchisee's understanding of the law and facts as of the time of the franchisee's investment decision. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

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.

ILLINOIS

1. Item 17 of the Franchise Disclosure Document is amended by adding the following at the end of that Item:

By reading this disclosure document, you are not agreeing to, acknowledging, or making any representations whatsoever to the Franchisor and its affiliates.

Illinois law governs the Franchise 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 the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

MARYLAND

1. The “Summary” sections of Items 17(c) and (m), captioned “Requirements for you to renew or extend” and “Conditions for our approval of transfer,” are amended by adding the following:

Any 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. The "Summary" section of Item 17(h), captioned "'Cause' defined – non-curable defaults," is amended by adding the following:

Termination upon insolvency might not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 *et seq.*), but we will enforce it to the extent enforceable.

3. The "Summary" section of Item 17(v), captioned "Choice of forum," is amended to read as follows:

Subject to arbitration requirements, litigation generally must be in courts located closest to where we have our principal business address when the action is commenced (currently, Franklin, Tennessee), although you may, subject to your arbitration obligations, commence a lawsuit against us in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

4. The "Summary" section of Item 17(w), captioned "Choice of law," is amended to read as follows:

Except for federal law and claims arising under the Maryland Franchise Registration and Disclosure Law, Tennessee law applies.

5. The following is added at the end of the charts in Item 17:

You must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after the grant of the franchise.

6. Item 5 is amended to include the following:

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the Franchise Agreement.

MINNESOTA

1. The following paragraphs are added at the end of the charts in Item 17 of the Franchise Disclosure Document:

Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside

Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

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 Statues, Section 80C.12, Subd. 1(g).

Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minnesota Rules 2860.4400J. Also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

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

NSF checks are governed by Minnesota Statute 604.113, which puts a cap of $30 on service charges.

Minnesota Rules 2860.4400(G) prohibits a franchisor from imposing on a franchisee by contract or rule, whether written or oral, any standard of conduct that is unreasonable.

Minnesota Rule 2860.4400(K) prohibits a franchisor from requiring a security deposit except for the purpose of securing against damage to property, equipment, inventory, or leaseholds.

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 B OR YOUR PUBLIC LIBRARY FOR SOURCES OF 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 THAT ANYTHING IN THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005. 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 WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

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

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

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

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a

misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

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

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "Requirements for franchisee to renew or extend," and Item 17(m), entitled "Conditions for franchisor approval of transfer":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

4. The following is added to the end of the "Summary" section of Item 17(j), titled "Assignment of contract by franchisor":

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

5. The following language replaces the "Summary" section of Item 17(d), titled "Termination by franchisee":

You may terminate the agreement on any grounds available by law.

6. The following is added to the end of the "Summary" sections of Item 17(v), titled "Choice of forum", and Item 17(w), titled "Choice of law":

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

NORTH DAKOTA

1. The "Summary" sections of Items 17(c) and 17(m) is amended by adding the following:

> However, any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

2. The "Summary" section of Item 17(r) is amended by adding the following:

> Covenants not to compete such as those mentioned above generally are considered unenforceable in North Dakota. However, we will seek to enforce them to the extent enforceable.

3. The "Summary" section of Item 17(v) is amended by adding the following:

> To the extent required by the North Dakota Franchise Investment Law, but subject to your arbitration obligations, you may bring an action in North Dakota.

4. The "Summary" section of Item 17(w) is amended by adding the following:

> Except for federal law, North Dakota law applies.

RHODE ISLAND

1. The "Summary" section of Item 17(v) is amended to read as follows:

> Subject to arbitration requirements, litigation generally must be in courts closest to where we have our principal business address when the action is commenced (currently, Franklin, Tennessee), except that, to the extent required by applicable law, but subject to your arbitration obligations, you may bring an action in Rhode Island for claims arising under the Rhode Island Franchise Investment Act.

2. The "Summary" section of Item 17(w) is deleted in its entirety and replaced with the following:

> Except for Federal Arbitration Act and other federal law (as applicable), and except as otherwise required by the Rhode Island Franchise Investment Act, Tennessee law applies.

VIRGINIA

1. The “Summary” section of Item 17(h) is amended by adding the following:

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 rights 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. 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.

WASHINGTON

1. See the Washington Addendum to the Franchise Disclosure Document, the Franchise Agreement, and All Related Agreements attached to the Franchise Agreement as *Exhibit E*.

EXHIBIT B
to Franchise Disclosure Document

LIST OF ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws. We may not yet be registered to sell franchises in any of these states.

If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed below in which we have appointed an agent for service of process.

There also may be additional agents appointed in some of the states listed.

STATE	STATE ADMINISTRATORS	AGENTS FOR SERVICE OF PROCESS
CA	Commissioner Department of Financial Protection and Innovation 2101 Arena Blvd. Sacramento, California 95834 (866) 275-2677 Website: www.dfpi.ca.gov Email: Ask.DFPI@dfpi.ca.gov	Commissioner Department of Financial Protection and Innovation 2101 Arena Blvd. Sacramento, California 95834 (866) 275-2677 Website: www.dfpi.ca.gov Email: Ask.DFPI@dfpi.ca.gov
HI	Commissioner of Securities Department of Commerce and Consume Affairs 335 Merchant Street Room 203 Honolulu, Hawaii 96813 (808) 586-2722	Commissioner of Securities Department of Commerce and Consumer Affairs 335 Merchant Street Room 203 Honolulu, Hawaii 96813 (808) 586-2722
IL	Illinois Attorney General Franchise Bureau 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	Illinois Attorney General 500 South Second Street Springfield, Illinois (217) 782-4465
IN	Indiana Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, Indiana 46204 (317) 232-6681
MD	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360

STATE	STATE ADMINISTRATORS	AGENTS FOR SERVICE OF PROCESS
MI	Consumer Protection Division Franchise Section P.O. Box 30213 Lansing, Michigan 48909 (517) 335-7567	Michigan Department of Commerce, Corporations and Securities Bureau 6546 Mercantile Way Lansing, Michigan 48910 (517) 335-7567
MN	Commissioner of Commerce Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1500	Commissioner of Commerce Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1500
NY	NYS Department of Law Investor Protection Bureau 28 Liberty St., 21st Floor New York, New York 10005 (212) 416-8285	New York Secretary of State New York Department of State One commerce Plaza 99 Washington Avenue, 6th Floor Albany, New York 12231-0001 (518) 473-2492
ND	North Dakota Insurance & Securities Department 600 East Boulevard Avenue, Dept 401 Bismarck, North Dakota 58505 (701) 328-2910	Insurance Commissioner 600 East Boulevard Avenue, Dept 401 Bismarck, North Dakota 58505 (701) 328-2910
RI	Securities Division Department of Business Regulation John O. Pastore Center, Bldg 69.1 1151 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9500	Director Department of Business Regulation John O. Pastore Center, Bldg 69.1 1151 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9500
SD	Director of Division of Securities 124 S. Euclid, Ste 104 Pierre, South Dakota 57501 (605) 773-3563	Director of Division of Securities 124 S. Euclid, Ste 104 Pierre, South Dakota 57501 (605) 773-3563
VA	State Corporation Commission Division of Securities and Retail Franchising Tyler Building, 9th Floor 1300 East Main Street Richmond, Virginia 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, First Floor Richmond, Virginia 23219 (804) 371-9733
WA	Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, Washington 98504-1200 (360) 902-8760	Director, Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, Washington 98501 (360) 902-8760
WI	Division of Securities Department of Financial Institutions 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-9555	Administrator, Division of Securities Department of Financial Institutions 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-9555

EXHIBIT C
to Franchise Disclosure Document

FRANCHISE AGREEMENT

PREMIER POOLS & SPAS®
PINNACLE POOLS & SPAS®

FRANCHISE AGREEMENT

PREMIER POOLS & SPAS®
PINNACLE POOLS & SPAS®
FRANCHISE AGREEMENT

Table of Contents

Page

1. RECITALS 1
1.01 System and Marks 1
1.02 Desire to Franchise 1

2. GRANT AND LIMITATIONS 1
2.01 Grant of Franchise 1
2.02 System Standards Limitations 1
2.03 Territory, Pool Type and Remodeling Limitations 2
2.04 No Sub-Licensing 3
2.05 Entity Information 3
2.06 Guaranty 4

3. TERM AND EXTENSION 4
3.01 Term 4
3.02 Successor Franchise Rights 4
3.03 Conditions to Successor Franchise 4

4. YOUR OPERATING OBLIGATIONS 5
4.01 Site Selection 5
4.02 Required Vehicle and Other Equipment 5
4.03 Inventory, Supplies, and Showroom 5
4.04 Commencement of Business 5
4.05 Compliance with System Standards 6
4.06 Compliance with Sound Business Practices 6
4.07 Adherence to Highest Ethical Standards 6
4.08 Compliance with Laws 6
4.09 Trade Name and Marks 7
4.10 Professional Image 7
4.11 Goodwill 7
4.12 Quality and Customer Service Standards 7
4.13 Maintenance of Franchised Business Property 7
4.14 Approved Items and Services 8
4.15 Purchasing 8
4.16 Computer and Communications System 8
4.17 Marketing 9
4.18 Telephone 10
4.19 Conferences 10
4.20 Notification of Legal Proceedings 10
4.21 Non-Competition 10

4.22 Minimum Annual Performance Requirements 10
4.23 Uniforms 11
4.24 Hours of Operation 11
4.25 Best Efforts 11
4.26 Special Accounts 11
4.27 Subcontractors 12

5. FRANCHISED BUSINESS MANAGEMENT 12
5.01 Management 12
5.02 Initial Training 12
5.03 Other Training 12
5.04 Staff Training 13

6. ASSISTANCE BY US 13
6.01 Access to Manual 13
6.02 Required Purchases 13
6.03 Purchasing Assistance 13
6.04 Initial Training 13
6.05 Other Training 14
6.06 Pre-Opening and Opening Assistance 14
6.07 Franchised Business Premises 14
6.08 Continuing Consultation 14
6.09 Conferences 14
6.10 Marketing Plan and Marketing Programs 14
6.11 System Website 15
6.12 Additional Items, Services and Suppliers 16
6.13 Operating Assistance 16
6.14 Special Accounts 16

7. PAYMENTS AND REPORTS 16
7.01 Initial Franchise Fee 16
7.02 Royalty Fee 17
7.03 Marketing Fee 17
7.04 Technology Fee 17
7.05 Place and Method of Payment 17
7.06 Late Payments 17
7.07 Taxes 18
7.08 Allocation of Payments 18
7.09 Right of Offset 18
7.10 Books and Records 18
7.11 Reports 18
7.12 Financial Statements 18
7.13 Tax Returns 19
7.14 Record Retention 19

8. SYSTEM STANDARDS AND MANUAL 19
8.01 System Standards 19
8.02 Modification of Manual 19
8.03 Ownership of the System 19
8.04 System Improvements 19
8.05 Variations 20

9. MARKS 20
9.01 Ownership of the Marks 20
9.02 Registration 20
9.03 Use of the Marks 20
9.04 Inurements 20
9.05 Infringement and Litigation 21
9.06 Substitution of Marks 21

10. CONFIDENTIAL INFORMATION 21
10.01 Confidential Information 21
10.02 Protection of Confidential Information 22
10.03 Disclosure of Confidential Information 22

11. INSPECTIONS AND AUDITS 22
11.01 Inspections and Audits 22
11.02 Unapproved Items and Services 23
11.03 Other Corrective Action 23
11.04 Payments 23
11.05 Audit and Inspection Costs 23

12. RELATIONSHIP OF THE PARTIES 23
12.01 Independence 23
12.02 Joint Status 24

13. INSURANCE AND INDEMNIFICATION 24
13.01 Insurance Coverage 24
13.02 Proof of Insurance 24
13.03 Indemnification and Defense of Claims 24

14. TRANSFERS 26
14.01 Transfers by Us 26
14.02 Transfer by You 26
14.03 Transfer Conditions 26
14.04 Right of First Refusal 27
14.05 Death, Divorce or Incapacity 27
14.06 No Waiver 28

15. DEFAULT AND TERMINATION 28
15.01 Termination Following Probation Period 28

15.02 Termination by Us without Right to Cure 28
15.03 Termination by Us with 10-Day Cure Period 29
15.04 Other Termination by Us 29
15.05 Additional Remedies 29
15.06 Governing State Law 30
15.07 Termination by You 30

16. POST-TERMINATION RIGHTS AND OBLIGATIONS 30
16.01 Cease Use of System and Marks 30
16.02 Payment of Amounts Owed 30
16.03 Return Materials 30
16.04 Change of Identification 30
16.05 Customer List and Jobs in Progress 31
16.06 Transfer of Telephone Number and Listings 31
16.07 Cancel Assumed Name 31
16.08 Non-Solicitation and Non-Competition 31
16.09 Other Post-Termination Obligations 32
16.10 Right to Purchase 32
16.11 Survival of Certain Provisions 33

17. DISPUTE RESOLUTION 33
17.01 Informal Dispute Resolution 33
17.02 Binding Arbitration 33
17.03 Provisional Remedies 35
17.04 Costs of Enforcement 36
17.05 Jurisdiction 36
17.06 Waivers 36

18. GENERAL PROVISIONS 36
18.01 Partial Invalidity 36
18.02 Waivers, Modifications and Approvals 37
18.03 Notices 37
18.04 Governing Law 37
18.05 Counterparts 38
18.06 Construction 38
18.07 Force Majeure 38
18.08 No Waiver or Disclaimer of Reliance in Certain States 38
18.09 State Addenda 39

19. ACKNOWLEDGMENTS 39
19.01 Acknowledgments Not Applicable in Certain States 39
19.02 Accurate Information 39
19.03 Proper Disclosure 39
19.04 Consultation and Understanding 39
19.05 Independent Investigation of Risks 40
19.06 No Warranty or Guarantee 40

19.07 Reasonable Covenants.....40
19.08 No Business Opportunity Representations.....40
19.09 Anti-Terrorism Requirements.....40
19.10 Franchisee Questionnaire.....40

EXHIBITS:

Exhibit A – Territory / Trade Name / Your Services / Minimum Annual Performance Requirements
Exhibit B – Entity Information
Exhibit C – Guaranty and Assumption of Obligations
Exhibit D – Insurance Requirements
Exhibit E – State Addenda
Exhibit F – Franchisee Questionnaire

PREMIER POOLS & SPAS®
PINNACLE POOLS & SPAS®

FRANCHISE AGREEMENT

This Franchise Agreement ("Agreement") is made by and between Premier Franchise Management LLC ("we" or "us"), a Nevada limited liability company, with our principal place of business at 1221 Liberty Pike, Franklin, TN 37067, and the franchisee identified on the signature page of this Agreement ("you") as of the date specified as the "Effective Date" on the signature page of this Agreement. In consideration of the following mutual promises, the parties agree as follows:

1. RECITALS

1.01 System and Marks. We have the right to use and to license to our franchisees a proprietary and distinctive system (the "System") relating to the establishment and operation of a business to market, sell, and supervise the construction and remodeling of swimming pools and spas, which business is primarily identified by the Marks (as defined below) (a "System Business"). We also own, and license our franchisees to use, certain service marks, trademarks, trade names, trade dress, logos, slogans and commercial symbols to identify the System Businesses and particular items and services offered by our franchisees (collectively, the "Marks").

1.02 Desire to Franchise. You desire, upon the terms and conditions in this Agreement, to obtain a franchise to establish and operate a System Business. We are willing, upon the terms and conditions in this Agreement, to license you to establish and operate a System Business within a specified territory. Unless the context indicates otherwise, capitalized terms will have the relevant meaning as defined in this Agreement.

2. GRANT AND LIMITATIONS

2.01 Grant of Franchise. Subject to all of the terms and conditions in this Agreement, we grant to you, and you accept, the franchise (the "Franchise") to use the System and the Marks we designate in connection with the establishment and operation of a System Business (the "Franchised Business") within a specific geographical area, as described in attached *Exhibit A* (the "Territory"), only as to the swimming pool and spa construction types that we allocate to you, as specified on *Exhibit A* (your "Pool Types"), and pool and spa remodeling services, if designated on *Exhibit A*.

2.02 System Standards Limitations. The Franchise granted by this Agreement is limited to the operation of a Franchised Business in strict accordance with the provisions of this Agreement and the standards we specify in writing, as they may be periodically amended, modified, supplemented or deleted, which we impose on our franchisees in connection with participation in the System, including all mandatory and suggested specifications, policies, rules, techniques and procedures we promulgate about System operation usage (collectively, the "System Standards"). You have no rights under this Agreement to use,

and you will not use, the System or Marks in connection with any other business, activities, or unapproved items or services.

2.03 Territory, Pool Type and Remodeling Limitations. The Franchise granted by this Agreement is limited to marketing, offering for sale, and selling approved items and services only to customers whose job sites are located in the Territory and only with respect to your construction Pool Types and remodeling (if applicable). You have no rights under this Agreement to use, and you will not use, without our prior written consent, the System or the Marks outside the Territory. In addition, you will not offer or sell items or services for customer job sites located outside your Territory, without our prior written consent. You will not offer or sell items or services for swimming pool and spa construction other than your Pool Types, without our prior written consent. You will not offer or sell items or services for swimming pool and spa remodeling unless we have authorized you to perform remodeling services in the Franchise Agreement or unless you otherwise have received our prior written consent.

If you are in compliance with the terms of this Agreement, including, but not limited to, compliance with your Minimum Annual Performance Requirements (as defined in Section 4.22 and as set forth in *Exhibit A*) for each of your construction Pool Types and remodeling (if applicable) in accordance with Section 4.22, any other agreement between you (or any of your affiliates) and us (or any of our affiliates), and any and all agreements between you and the suppliers for the Franchised Business, during the term of this Agreement, then (a) neither we nor any of our affiliates will establish or operate, or license any third party to establish or operate, a System Business for any of your construction Pool Types and/or remodeling (if applicable), the physical business premises of which is located within the Territory; (b) neither we nor any of our affiliates will provide, or license any third party to provide, swimming pool and spa construction services for any of your construction Pool Types through a System Business using the Marks and the System to customers whose job sites will be located in the Territory; and (c) if we have authorized you to perform remodeling services, neither we nor any of our affiliates will provide, or license any third party to provide, swimming pool and spa remodeling services through a System Business using the Marks and the System to customers whose job sites will be located in the Territory. The restrictions in the preceding sentence, however, will not apply to any Special Account (as defined in Section 4.26) customer whose job site for one of your construction Pool Types or remodeling (if applicable) will be located in the Territory, if you decline to service that Special Account customer pursuant to Section 4.26. Other than the limited rights expressly granted to you under this Agreement, the Franchise is nonexclusive.

We (and any affiliates that we may have from time to time) will at all times have the right to engage in any activities that we or they deem appropriate that are not expressly prohibited by this Agreement, including, but not limited to: (A) owning, acquiring, establishing and/or operating, and licensing third parties to establish and operate, (i) System Businesses for all swimming pool and spa types, the physical premises of which is located outside the Territory, and (ii) System Businesses for swimming pool and spa construction other than your Pool Types, the physical business premises of which is located in the Territory, and (iii) unless we have authorized you to

provide remodeling services, System Businesses for swimming pool and spa remodeling, the physical business premises of which are located in the Territory; (B) providing, and licensing third parties to provide, construction or remodeling services for swimming pools and spas through a System Business using the Marks and the System to (i) customers for all swimming pool and spa types, whose job sites are located outside the Territory, (ii) customers for swimming pool and spa construction types other than your Pool Types, whose job sites will be located in the Territory, (iii) unless we have authorized you to provide remodeling services, customers for swimming pool and spa remodeling services, whose job sites will be located in the Territory, and (iv) customers for your Pool Types, whose job sites will be located in the Territory if the customer is a Special Account customer that you decline to service pursuant to Section 4.26; (C) owning, acquiring, establishing and/or operating, and licensing others to establish and operate, businesses under other proprietary marks or other systems, for all swimming pool and spa types, at any location in or outside the Territory (even if these businesses are in competition with the Franchised Business); (D) acquiring, or being acquired by, one or more businesses providing products and services similar or dissimilar to those provided by System Businesses, and franchising, licensing, or creating other arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating, whether within or outside the Territory; and (E) exercising all rights relating directly or indirectly to the Marks, and all products and services associated with any of the Marks, in connection with any method of distribution, except as specifically set forth in the preceding paragraph. This includes providing, and granting third parties the right to provide, except as specifically stated in the preceding paragraph, products and services to customers and other third parties that are similar or dissimilar to, or competitive with, any products and services provided by the Franchised Business, whether identified by the Marks or other trademarks or service marks, regardless of the method of distribution (including through the System Website, retail outlets, shipping, and delivery). For the avoidance of doubt, and notwithstanding anything to the contrary in this Agreement, nothing in this Agreement restricts the right of our affiliate, PPSF, LLC, or any other affiliate, to develop and operate, and license third parties to develop and operate, businesses to market, sell, and provide cleaning, maintenance, repair, and other services for swimming pools and spas of all types and sell related items and services under the “Premier Pool Service,” “Pinnacle Pool Service,” and other trademarks, regardless of whether such businesses are located in or outside the Territory.

2.04 No Sub-Licensing. You have no rights under this Agreement to grant, and you will not grant, any sub-license or sub-franchise of all or part or the System or Marks.

2.05 Entity Information. If you are an entity, you must list all of your entity owners, officers, directors and mangers and provide other information about the entity in *Exhibit B*. If there is any change or planned change in your entity owners, officers, directors or mangers or other information in *Exhibit B*, you will notify us as far in advance as possible, and comply with all other applicable provisions of this Agreement. If we request, you will complete, sign and deliver to us a revised Exhibit B reflecting your then-current entity owners, officers, managers and other information in *Exhibit B*.

2.06 Guaranty. If you are an entity, you must have each of your direct and indirect owners sign the Guaranty and Assumption of Obligations in the form attached hereto as *Exhibit C* ("Guaranty"), under which such owners agree to be personally bound, jointly and severally, by all provisions of this Agreement, and you must deliver the fully-signed Guaranty to us at the same time as you deliver the signed version of this Agreement.

3. TERM AND EXTENSION

3.01 Term. The term of this Agreement begins on the Effective Date and will continue for a period of 10 years, unless terminated sooner by either party as authorized under this Agreement. You have no rights under this Agreement to use, and you will not use, the System or Marks after expiration or termination of this Agreement. Some of your duties and obligations under this Agreement will survive after expiration or termination of this Agreement as provided in this Agreement.

3.02 Successor Franchise Rights. If you meet all of the conditions specified in Section 3.03, you will have the right to acquire a successor franchise to continue operating the Franchised Business for one successor franchise term of five years, by entering into a successor franchise agreement to become effective following the expiration of the previous franchise agreement.

3.03 Conditions to Successor Franchise. To qualify for an offer of the successor franchise agreement, you must timely satisfy all of the following conditions:

(a) At least 3 months (but no more than 6 months) before the end of the term of this Agreement, you must give us written notice of your request for an extension of franchise rights.

(b) At least 2 months (but no more than 6 months) before the end of the term of this Agreement, you must upgrade your Franchised Business (including upgrading or replacing your vehicle, office, showroom (if applicable), equipment, inventory, supplies and other aspects of your operations), if we require, to make it consistent with the then-current mandatory System Standards for new System Businesses.

(c) You must pay us a successor franchise fee in an amount equal to fifty percent (50%) of the then-current initial franchise fee.

(d) At the time that you give notice of your request for an extension and at the end of the initial term, you must not be in default under this Agreement or any other agreement with us or any of our affiliates, and you must have substantially complied with all the provisions of this Agreement and of any other agreements with us or any affiliate during their respective terms. You must have satisfied all of the Minimum Annual Performance Requirements during all of the relevant periods in the 12-month period preceding the notice of your request for an extension and at the time of the expiration of the existing term.

(e) At least 1 month before the end of the term of this Agreement, you must execute the then-current version of our standard franchise agreement for similar units, to become

effective upon the expiration of this Agreement. You acknowledge that the terms and conditions of that agreement may be materially different from this Agreement, and they might not be as favorable to you. However, you will not be required to pay the then-current initial franchise fee, and the Territory will be the same as under this Agreement.

(f) At the end of the term, you (and/or your Manager, if we require) must satisfy our then-current qualification and training requirements.

(g) At least 1 month before the end of the term, you (and your owners, if we require) must execute and deliver to us a general release, in a form we will provide, of all claims you or your owners may have against us and any of our affiliates (and our and their respective officers, directors, partners, owners, agents, and employees).

4. YOUR OPERATING OBLIGATIONS

4.01 Site Selection. You will be solely responsible for locating and obtaining a suitable site to serve as the base for your Franchised Business, which has been approved by us. Unless you have our written consent otherwise, your base location must be within your Territory. You must obtain our approval of any proposed site for your Franchised Business.

4.02 Required Vehicle and Other Equipment. You must purchase, lease or own the required vehicle and other equipment that we have approved as meeting our specifications and standards for quality, design, appearance, function and performance, and only these items of equipment, for use in the operation of the Franchised Business throughout the term of this Agreement. If we require, you must purchase or lease approved brands, types or models of equipment, and only from suppliers designated or approved by us and according to System Standards. You will not make any material alteration to any of the required equipment without our prior written approval.

4.03 Inventory, Supplies, and Showroom. You must purchase and stock in the establishment and operation of the Franchised Business all of the required inventory and supply items, in an adequate mix and quantity of each, all according to the System Standards. If you have a commercial office for your Franchised Business, at your election, you may include a showroom in your office, provided that the showroom must meet our then-current requirements and be approved by us.

4.04 Commencement of Business. Unless we agree in writing to a later opening date, you must begin operating the Franchised Business within 2 months after the Effective Date of this Agreement. Before beginning operations of the Franchised Business, you must comply with all of your applicable obligations under this Agreement, including: (a) obtain our approval of your proposed site; (b) obtain all required permits and licenses (all state, local, and municipal licenses must be active and in place before your first contract; the licenses must cover all of the work to be contracted for; and you may never operate outside the scope of your active licenses); (c) properly obtain all required equipment, inventory and supplies; (d) successfully complete the initial training program; (e) provide to us proper evidence of required insurance coverage; and (f) provide to us any other

information or documents relating to the Franchised Business's readiness for opening or your compliance with applicable System Standards. You must obtain our written approval before beginning operations of the Franchised Business, and you must schedule the opening date with us for a mutually convenient date.

4.05 Compliance with System Standards. You will maintain high standards of quality, appearance and operation for the Franchised Business. For the purpose of enhancing the public image and reputation of System Businesses and for the purpose of increasing the demand for items and services associated with the Marks, you will comply in good faith with all of those System Standards that are mandatory, including those requirements contained in the Manual, as revised periodically. You will operate the Franchised Business solely in the manner and pursuant to the standards prescribed in this Agreement, in the Manual and in other materials we provide to you. You will promptly comply with any new or revised mandatory System Standards within the time period we reasonably specify, which will be at least 30 days.

4.06 Compliance with Sound Business Practices. You will at all times operate the Franchised Business diligently and in a manner which is consistent with sound business practices so as to maximize the revenues from the Franchised Business. You will at all times maintain working capital and a net worth that is sufficient, in our opinion, to enable you to fulfill properly all of your responsibilities under this Agreement. You will maintain working capital at all times during the term of this Agreement in an amount sufficient to maintain total current assets greater than total current liabilities, or such other amount as we may reasonably determine by written notice to you. You will pay all of your debts and obligations incurred in the operation of the Franchised Business as your debts and obligations become due.

4.07 Adherence to Highest Ethical Standards. You will at all times adhere to the highest ethical standards and to any related System Standards. In all dealings with us, our affiliates, suppliers, customers and public officials, you will adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You will refrain from any business practice that may harm our business, System, Marks, reputation or goodwill. You will not permit or allow your officers, directors, owners, Managers, employees, representatives or agents to engage in conduct that is unlawful or damaging to the reputation, goodwill or public image of our business, System or Marks. You will cause your employees, owners, representatives, and agents to strictly comply with the provisions of this Agreement and those System Standards that are mandatory.

4.08 Compliance with Laws. You will obtain and maintain in force, as and when needed, all governmental permits, licenses and approvals required by applicable law to establish and operate the Franchised Business in accordance with the terms of this Agreement. You will pay when due (or properly and timely contest) all federal, state and local payroll, withholding, unemployment, permit, license, property, ad valorem, use, sales, gross receipts, income and other taxes, assessments, fees, charges, penalties and interest that may be charged or levied against you or charged or levied against us as a result of your business operations, and you will file when due all required governmental returns, notices and other filings. You will conduct your business operations under this Agreement in full

compliance with all applicable laws, ordinances, regulations, rules, administrative orders, decrees and policies of any local, state, or federal government, governmental agency or department. You will notify us promptly if you obtain any information that any aspect of the System does not comply with any applicable law, rule or regulation.

4.09 Trade Name and Marks. You will establish and operate the Franchised Business only under the trade name specified on *Exhibit A* or other trade name that we expressly authorize or require in writing. You will not adopt alternative, additional or secondary trade names unless you have our prior written consent. You may use only the Marks we designate that are consistent with your authorized trade name. If your trade name includes the term "Premier," then you will not use any Mark or trade name containing the term "Pinnacle." If your trade name includes the term "Pinnacle," then you will not use any Mark or trade name containing the term "Premier."

4.10 Professional Image. You will at all times maintain your Franchised Business according to the System Standards, including those standards prescribed in the Manual, such as standards and specifications relating to the safety, maintenance, cleanliness, function and appearance of the Franchised Business, vehicle, other equipment and signs. You will maintain, and cause your Managers and other employees to maintain, a professional image according to the System Standards.

4.11 Goodwill. You will use reasonable efforts to protect, maintain and promote the trade name "Premier Pools & Spas®" or "Pinnacle Pools & Spas®," as applicable, and any other trade name we approve for your use, and our distinguishing characteristics, the other Marks and the System. You will not permit or allow your officers, directors, owners, Managers, employees, representatives or agents to engage in conduct that is unlawful or damaging to the goodwill or public image of the Marks or System. You will participate in all quality assurance, customer service and customer satisfaction programs we require in good faith. You will follow System Standards for identification of your Franchised Business to avoid confusion on the part of customers, creditors, lenders, investors and the public as to the ownership and operation of the Franchised Business.

4.12 Quality and Customer Service Standards. All items and services you provide under this Agreement will be of high quality, and will conform to the quality and customer service standards we may establish from time to time. If we determine, in our sole discretion, that any of the items or services you have provided are not in conformance with applicable quality standards, we will give you written notice specifying in reasonable detail the facts and circumstances of your default. After you receive this notice, you will immediately undertake and diligently pursue the efforts we deem necessary to remedy the default, and to bring the items and services at issue (and the items and services you offer in the future) into conformance with applicable quality standards within 30 days after your receipt of the default notice.

4.13 Maintenance of Franchised Business Property. You will not obtain or use in the Franchised Business any office, showroom (if applicable), vehicle, other equipment, signs or the like that we have not previously approved. You will maintain your office, showroom (if applicable), vehicle, other equipment and signs in a clean, attractive condition, and in

good working order and repair. If we notify you of any deficiency as to the general state of repair or appearance of your office, showroom (if applicable), vehicle, other equipment, signs or other items used in the Franchised Business, you must undertake the action we reasonably specify to correct the deficiency within the time period we specify. If we change the System Standards during the term of this Agreement, you will upgrade, modify and/or replace any office, showroom (if applicable), vehicle, other equipment, signs or the like to conform to our then-current System Standards within 6 months after our request, up to a maximum annual expenditure of $2,500. You will not be required to make significant capital expenditures in this regard during the first 2 years of the term of this Agreement, but you may be required to purchase additional equipment necessary to offer and sell new items or services.

4.14 Approved Items and Services. Your Franchised Business must offer only items and services that we have approved, and no other items or services. You are not required to offer all of the items and services we have approved. However, for all of the approved items and services you choose to offer, you must offer and perform them exactly in accordance with those System Standards that are mandatory. If you desire to offer any unapproved items or services in connection with the Franchised Business, you must obtain our prior written consent. You must not deviate from any mandatory System Standards by the offer, sale or use of any non-conforming items or services in connection with the Franchised Business, without our prior written consent.

4.15 Purchasing. You will purchase or lease certain designated items (including certain equipment, signs, inventory and supplies) and certain services in compliance with any minimum standards or specifications we may periodically establish. You will purchase or lease certain designated items and services from only the suppliers that we approve. You may purchase or lease any other approved items or services for the Franchised Business from any competent source, so long as the items and services meet or exceed the System Standards. You will maintain for the Franchised Business, at your expense, the mix and quantity of inventory and supplies as required by the System Standards. If you desire to purchase or lease items or services that we have not approved, or if you desire to purchase or lease approved items and services from a supplier that we have not approved, then you must first obtain our written consent. We may require you to provide us with photographs, drawings, specifications, samples or any additional materials or information we desire to evaluate your request. You must pay for our reasonable expenses in evaluating your request. We will notify you of our approval or disapproval of any new item, service or supplier requested by you within a reasonable time (usually within 120 days) after you have provided all of the relevant information we requested. We may withhold approval of any item, service or supplier, as we determine in our discretion. We may revoke approval of an approved item, service, or supplier at any time in our sole discretion.

4.16 Computer and Communications System. You will, at your expense, purchase and maintain any computer hardware and software, communication equipment, computer and communication services, dedicated telephone and power lines, modems, printers, and other related accessories, peripheral equipment, services or apps that we may specify for use in the Franchised Business. You will provide any assistance we require to connect

your computer system with our computer system or to otherwise allow us to access your computerized information. We will have the right at any time to retrieve data and other information from your computer system as we, in our sole discretion, deem necessary or desirable. You will strictly comply with System Standards for all items associated with your computer system and communication equipment and related services. You will keep the computer system and communication equipment in good maintenance and repair, and you will promptly install, at your expense, any additions, changes, modifications or substitutions to your computer hardware, software, communication equipment, telephone and power lines, and other related accessories, peripheral equipment, services and apps as we may specify periodically. We may require that you license from us proprietary computer software we may develop for use in the Franchised Business, and, if so, you will execute the software license agreement we specify, and you will comply with all of its terms and conditions. You will utilize the computer system and communication equipment and services in connection with the Franchised Business pursuant to the System Standards.

4.17 Marketing.

(a) Marketing Programs. You will participate in all required advertising, public relations, promotion, market research, and other marketing activities we may implement for the System ("Marketing Programs").

(b) Local Marketing. You will spend each month at least 1.25% of your Gross Revenues (as defined in Section 7.02) to conduct your own local advertising, public relations, promotional and other marketing programs for your Franchised Business within your Territory, and submit to us proof of these expenditures. Your marketing materials must use the Marks correctly, comply with System Standards and applicable law, and be approved by us in writing before use. You may not direct your local marketing to any prospective customers outside your Territory. Upon our request, you will immediately stop using any marketing materials or programs that we, in our sole opinion, deem to be outdated, false, misleading, illegal, in violation of this Agreement, inconsistent with the System Standards, harmful to the System or Marks, or potentially harmful to the goodwill, reputation or customer relations of us or our franchisees or affiliates.

(c) Social Media. You agree to comply with our policies and requirements (as we periodically modify them) concerning blogs, common social networks like Facebook, professional networks like Linked-In, live-blogging tools like Twitter, virtual worlds, file, audio and video sharing sites like Pinterest and Instagram, and other similar social networking or media sites or tools (collectively, "Social Media") that in any way reference the Marks or involve the Franchised Business. You acknowledge that these policies may involve limitations or prohibitions on your and your representatives' use of Social Media in connection with the Marks or the Franchised Business.

(d) Press Releases. You will not issue any press release relating to the Franchised Business or otherwise associated with any of our Marks without our prior written approval.

(e) Contributions and Donations. In order to protect our Marks, you must obtain our prior written consent before you make any contributions or donations of items, services or money to any individual or entity, or provide any type of other benefit to any charitable, religious, political, social, civic or other type of organization (or to any individual on behalf on any organization) in the name of the Franchised Business or otherwise associated with any of our Marks.

4.18 Telephone. We may require you to obtain a telephone number for exclusive use in connection with the Franchised Business, and, if we do, this telephone number will be deemed to be our property.

4.19 Conferences. You or your owner or Manager will attend and participate in each conference (including monthly meetings), if we sponsor a conference and require attendance by franchisees and/or managers; however, you will not be required to travel more than 200 miles outside of your Territory for any monthly meetings. Mandatory training for franchisees or their managers may be held at a conference. You will receive reasonable notice of each conference. You will be responsible for all travel, transportation, lodging, meals, and incidental expenses and compensation of the people you send to any conference. We may require your attendance at conferences by telephone, videoconference or other remote access.

4.20 Notification of Legal Proceedings. You will notify us in writing within 5 business days of the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, of which you become aware, and which may adversely affect the operation or financial condition of the Franchised Business.

4.21 Non-Competition. During the term of this Agreement, you (and, if you are an entity, your owners, officers and directors) and your Managers will not engage in, assist, acquire, advise, consult with, be employed by, own, or become associated in any way with, any business whose methods of operation, trade dress or business concept is the same as or similar to System Businesses, or that sells, constructs, remodels, or supervises the construction or remodeling of swimming pools and/or spas, other than the Franchised Business. To help ensure compliance with this restriction, you and your officers, directors, owners and Managers may not participate in any other business, without our prior written consent. We will provide you with a template for a form confidentiality and non-competition agreement for your use. You must have this template reviewed by an attorney franchised in your state to make sure that it complies with local law and is otherwise enforceable. Your attorney may modify the template to the extent required to make it comply with local law and to make it fully enforceable. You will, upon our request, require that your officers and directors sign the form confidentiality and non-competition agreement (as modified by your attorney). Before you hire any Manager or other employee for the Franchised Business, you will require each Manager and other employee you hire to sign the form agreement as a condition to employment.

4.22 Minimum Annual Performance Requirements. You must achieve the minimum annual Gross Revenues for each of your construction Pool Types and remodeling (if

applicable) during each successive 12 month period during the term of this Agreement as described on *Exhibit A* (the "Minimum Annual Performance Requirements"). If you fail to comply with any of the Minimum Annual Performance Requirements under this section during any applicable period for any of your construction Pool Types and/or remodeling (if applicable), we may unilaterally amend your Franchise Agreement to reduce the size of your Territory, eliminate your limited rights in the Territory, eliminate any of your construction Pool Types, eliminate remodeling (if applicable), and/or eliminate your limited rights with respect to your construction Pool Types and/or remodeling (if applicable) in the Territory by giving you 30 days' written notice, or we may terminate the Franchise Agreement by giving you 30 days' written notice.

4.23 Uniforms. You, your Managers and other employees who may deal with customers or suppliers in person will wear clean and neat uniforms as required by our System Standards, at all times when dealing with customers or suppliers in person.

4.24 Hours of Operation. You will cause the Franchised Business to be open and in normal operation for the minimum hours and/or days as required by the System Standards, to the extent consistent with applicable local law.

4.25 Best Efforts. At all times during the term of this Agreement, you (if you are an individual) or one of your owners (if you are an entity) owning at least 10% equity interest in you will devote full time, energy, attention, and use your best efforts to develop the Franchised Business, to develop the market for items and services offered by the Franchised Business, to increase the market share of the Franchised Business within the Territory, to effect the widest possible distribution of items and services offered by the Franchised Business throughout the Territory, and to otherwise develop and promote the Franchised Business in the Territory. Your compliance with this Section 4.25 does not excuse any failure to meet your Minimum Annual Performance Requirements.

4.26 Special Accounts. We have the right to enter into agreements with certain customers who have or are likely to have need for swimming pools or spas and related items and services in multiple market areas ("Special Accounts"). Under a Special Account agreement, we, on behalf of ourselves and our participating franchisees, may agree to provide items or services at certain specified prices or in accordance with certain specified procedures. If we provide you notice of any Special Account agreement with one or more Special Accounts that has any job sites in your Territory that are subject to the Special Account agreement, then you will have the option to participate in servicing the Special Account. You must notify us in writing of your decision within 5 days after receiving this notice. If you elect to participate in servicing the Special Account, you will be obligated to sell items and services to the Special Account according to the terms and conditions of the Special Account agreement for the duration of the Special Account Agreement (subject to the term of this Agreement), unless you obtain our prior written consent to discontinue servicing a Special Account. If you elect not to participate in servicing the Special Account, then we may provide, or may allow another franchisee, affiliate or approved supplier to provide, the relevant items and services for the Special Account job site in your Territory without any liability to you, regardless of any other provisions in this Agreement.

4.27 Subcontractors. Each subcontractor that you use in connection with the Franchised Business must be properly licensed and adequately insured.

5. FRANCHISED BUSINESS MANAGEMENT

5.01 Management. At all times during the term of this Agreement, you will designate a manager who will meet our educational, managerial and business experience standards, and who will devote full time, energy, attention and best efforts to the management and operation of the Franchised Business ("Manager"). If you are an individual, you may serve as the Manager. If you are an entity, you may designate an owner, officer or employee to serve as the Manager. You will advise us in writing of the identity of your designated initial Manager as soon as possible after the Effective Date of this Agreement, and in any event before you begin operating the Franchised Business. You will advise us in writing of the identity of each designated successor Manager immediately after the prior Manager ceases to serve as manager.

5.02 Initial Training. Before the Franchised Business begins operations, you and your initial Manager must attend and complete to our satisfaction the live initial training program required for franchisees, owners and Managers, and must complete to our satisfaction the online initial training program required for franchisees, owners and Managers. Any successor Manager you later employ must also satisfactorily complete the initial training program we require before (or as soon as we require after) being designated as Manager of the Franchised Business. If you are an entity, at least 1 of your owners must also attend and complete to our satisfaction the initial training program. We will provide instructors, facilities and training materials for the training of you, your initial Manager, and your owners. There is no tuition for the initial training program. All other expenses incurred in the training of your trainees, including the cost of travel, transportation, meals, lodging and any wages, will be your responsibility. You will pay to us the then-current tuition (or then-current per diem fee) and expenses we incur for the initial training of any successor Manager you later employ, including the reasonable travel, transportation, meals and lodging expenses we incur if we elect to provide this training at your Franchised Business. If your Manager fails to successfully complete the initial training program to our satisfaction, we may require your Manager to attend additional training programs (at your cost) or we may require you to appoint a new Manager and to send that new Manager to the initial training program (at your cost). If, after this corrective action, your Manager fails to successfully complete the initial training program to our satisfaction, we may terminate this Agreement. Notwithstanding any other provisions of this Agreement, if you a former licensee of our affiliate and predecessor, Premier Pools Management LLC ("PPMC"), then we will not provide you, and you are not obligated to complete, our initial training program.

5.03 Other Training. You, your owners and your Manager must attend any other training programs that we designate as mandatory for franchisees, franchisee owners and managers, respectively; however, we will not require more than 4 days of other training during each calendar year. You will be responsible for all travel, transportation, lodging, meals and incidental expenses and compensation of the people you send for other

training programs. All training materials are confidential, and will remain our property. We will not charge any fee for any additional training we provide.

5.04 Staff Training. You will maintain competent and conscientious personnel to operate the Franchised Business in accordance with this Agreement and the Manual. You will train or cause the training of all of your personnel as and when required by prudent business practices, System Standards, or this Agreement.

6. ASSISTANCE BY US

6.01 Access to Manual. Within 15 days after execution of this Agreement, we will make available to you for the term of this Agreement an electronic copy of our current operations manual, and we will later provide you with all periodic modifications thereto and any other written or electronic materials we may develop specifying the System Standards (collectively, the "Manual").

6.02 Required Purchases. We will provide you with standard lists and/or specifications for any approved equipment, inventory, supplies and other required items. We will provide you with standard lists of any authorized suppliers of any of these items. We will provide you with the assistance and consultation we deem advisable regarding required purchases.

6.03 Purchasing Assistance. Although you are responsible for purchasing or procuring items and services for use in connection with the Franchised Business, we and/or our affiliates may offer optional assistance to you with purchasing or procuring items or services. We may require minimum standards or specifications for these items and services for the Franchised Business, specify approved items and services, and restrict the suppliers authorized to sell or provide certain items and services in order to control quality, provide for consistent service or obtain volume discounts. We will provide you with System Standards for items and services, our list of approved items and services, and our list of approved suppliers. You acknowledge that we and/or our affiliates may be the sole approved suppliers for certain approved items and services. We and/or our affiliates may derive revenue based on your purchases and leases, including from charging you for products and services that we or our affiliates provide to you and from promotional allowances, volume discounts, rebates, commissions, and other payments made to us by suppliers and/or distributors that we designate or approve for some or all of our franchisees. We and our affiliates may use all amounts received from suppliers and/or distributors, whether or not based on your or other franchisees' actual or prospective dealings with them, without restriction for any purposes that we or our affiliates deem appropriate.

6.04 Initial Training. We will provide live initial training to you, your owners and your Manager on mutually-convenient dates. However, we may, in our sole discretion, elect not to provide the initial training to the trainee if the trainee has at least 6 months' prior experience in the management and operation a System Business. All initial training we provide will be offered, in our sole discretion, at our training facility, at a business operated by a franchisee or an affiliate, at your location, or at some other location in the United

States we select, or through computerized or online training sessions, and will be subject to the provisions of Section 5.02.

6.05 Other Training. We may offer or require other training for you or your owners or Manager. Other training will be held at one or more locations in the United States we select, and may be held in conjunction with a franchisee conference. All other training we provide will be subject to the provisions of Section 5.03.

6.06 Pre-Opening and Opening Assistance. We will provide you with pre-opening and opening assistance consultation as we deem advisable. Notwithstanding any other provisions of this Agreement, if you a former licensee of PPMC, then we will not provide you this pre-opening and opening assistance.

6.07 Franchised Business Premises. We will approve or reject the proposed sites for your Franchised Business. If you do not obtain our approval of a site for the Franchised Business within 12 months after the Effective Date, we may terminate this Agreement. We will review the proposed lease (if any) for your Franchised Business premises and offer our suggestions. If you will have a commercial space for your Franchised Business premises, we will provide you with prototype plans and specifications for the design and layout of your Franchised Business premises.

6.08 Continuing Consultation. We will assist you to understand your obligations under the System Standards and this Agreement, provide you with other continuing consultation, and may provide you with new proprietary methods and procedures relating to approved items or services, or to operation of the Franchised Business, all on the terms we deem appropriate. To the extent possible, this consultation will be provided during inspections and audits, through the System Standards, at training sessions (if any), and during franchisee conferences (if any). If you request additional operating assistance or services, we may require that you pay our then-current per diem Management Fee and the expenses we incur in providing additional assistance to you.

6.09 Conferences. We may sponsor periodic conferences for our franchisees, at which seminars, workshops and other training may be conducted. We may require you, your owners or your Manager to attend each conference, subject to the provisions of Section 4.19.

6.10 Marketing Plan and Marketing Programs.

(a) We will coordinate with you to develop a marketing plan for the first year of operations of your Franchised Business, which you will follow.

(b) We will implement one or more Marketing Programs, and we (or our designee or affiliate) will administer the Marketing Programs. We will determine in our sole discretion: the nature and type of program; the nature and type of media placement; the allocation (if any) among national, regional and local markets; the nature and type of advertising copy and other marketing materials; and all other aspects of the Marketing Programs. We do not promise that you will benefit directly or proportionately from any Marketing Programs. On occasion, we may make available to you local advertising materials and

programs, at your cost. We will use marketing fees we collect from franchisees to pay for the Marketing Programs and to reimburse our reasonable direct and indirect costs, overhead and other expenses (and those of our designee or affiliates) of providing services and materials relating to the Marketing Programs. Any System Business operated by us or our affiliates will not be required to contribute to the Marketing Programs on the same basis as our franchisees or otherwise, and we are not obligated to supplement the marketing fees. We have the right to terminate any Marketing Program, at our discretion. However, any termination of a Marketing Program will not be effective until all marketing fees we have collected for the Marketing Program have been expended or re-allocated to another Marketing Program.

6.11 System Website. We or one or more of our designees may establish a website or series of websites or similar technologies, including mobile applications and other technological advances that perform functions similar to those performed on traditional websites, for the Premier Pools & Spas/Pinnacle Pools & Spas network to advertise, market and promote System Businesses, the products and services they offer, and the System Business franchise opportunity; to facilitate the operations of System Businesses; and/or for any other purposes that we determine is appropriate for System Businesses (those websites, applications and other technological advances are collectively called the "System Website"). If we include information about the Franchised Business on the System Website, then you agree to give us the information and materials that we periodically request concerning the Franchised Business and otherwise participate in the System Website in the manner that we periodically specify. We have the final decision concerning all information and functionality that appears on the System Website and will update or modify the System Website according to a schedule that we determine. By posting or submitting to us information or materials for the System Website, you are representing to us that the information and materials are accurate and not misleading and do not infringe any third party's rights. You must notify us whenever any information about you or the Franchised Business on the System Website changes or is not accurate.

We own all intellectual property and other rights in the System Website and all information it contains, including the domain name or URL for the System Website and all subsidiary websites, the log of "hits" by visitors, and any personal or business data that visitors (including you, your personnel and your customers) supply. We may use the marketing fees that we collect from franchisees to develop, maintain, support and update the System Website. We may implement and periodically modify System Standards relating to the System Website and, at our option, may discontinue all or any part of the System Website, or any services offered through the System Website, at any time.

All local marketing that you develop for the Franchised Business must contain notices of the System Website in the manner that we periodically designate. You may not develop, maintain or authorize any other website, other online presence or other electronic medium (such as mobile applications, kiosks and other interactive properties or technology-based programs) that mentions or describes you, the Franchised Business or its products or services or that displays any of the Marks. Except for the System Website (if applicable), you may not conduct commerce or directly or indirectly offer or sell any products or services using any website, another electronic means or medium, or

otherwise over the Internet or using any other technology-based program without our approval. If, however, you are a conversion franchise and have an existing website that we have approved, you will maintain the existing website if we require, and you will add whatever links or other information to the System Website (if applicable) that we require.

Nothing in this Section 6.11 shall limit our right to maintain websites and technologies other than the System Website or to offer and sell products or services under the Marks from the System Website, another website or technology, or otherwise over the Internet (including to the Franchised Business's customers and prospective customers) without payment or obligation of any kind to you.

6.12 Additional Items, Services and Suppliers. If you desire to offer additional items or services in connection with the Franchised Business that are not approved by us, or desire to purchase approved items and services from any supplier who we have not approved, we will consider any written request by you for approval of additional items, services or suppliers (although we are not obligated to approve any). We will notify you of our approval or disapproval of any new item, service or supplier requested by you within a reasonable time after we have received all of the relevant information we requested (typically, 120 days). We may withhold approval of any item, service or supplier, as we determine in our discretion. We can revoke approval of an approved supplier at any time in our sole discretion, and we will notify you of any revocation of supplier approval. You must reimburse us for our reasonable expenses in evaluating your request.

6.13 Operating Assistance. If you request, or if we reasonably determine that you need, additional assistance in the operation of your Franchised Business, we will provide on-site operating assistance to you in connection with the Franchised Business, at your expense, on mutually convenient dates, subject to scheduling. We may require that you pay our then-current per diem fee and the expenses we incur in providing this additional assistance to you. Upon the death or incapacity of you (if you are an individual) or of your majority owner (if you are an entity), we will have the right to provide additional operating assistance to you (at your cost) under this Section 6.13.

6.14 Special Accounts. We will have the sole discretion whether to enter into a Special Account agreement with a particular customer, and sole discretion as to the terms and conditions of any Special Account agreement. If any Special Account has any need for items and services at a job site for any of your construction Pool Types and/or remodeling services (if applicable) in your Territory subject to the Special Account agreement, then we will offer you the opportunity to participate under the Special Account agreement, according to its terms and conditions, subject to Section 4.26.

7. PAYMENTS AND REPORTS

7.01 Initial Franchise Fee. Upon the execution of this Agreement, you will pay us an initial franchise fee in the amount of $45,000, in consideration of the administrative and other expenses we incurred in entering into this Agreement, and for our lost or deferred opportunity to enter into a similar arrangement with others. This initial franchise fee is non-refundable, and is fully earned when we execute this Agreement.

7.02 Royalty Fee. During the first twenty-four (24) months of the term of this Agreement, and for as long as you are using the System or Marks, you will pay us a continuing monthly royalty fee equal to 3.5% of your Gross Revenues. Commencing with the twenty-fifth (25th) month of the term of this Agreement and continuing for the remainder of the term, you will pay us a continuing monthly royalty fee equal to 4% of your Gross Revenues. "Gross Revenues" means all revenue from the sale of all products and services, and all other income or consideration of every kind and nature received by you or the Franchised Business, all revenues associated with delivering and/or selling products or services off-premises to customers, and any proceeds from business interruption insurance, whether for cash, credit, charge account, debit account, exchange, barter or otherwise and regardless of collection, less (a) any sales taxes or other taxes collected by you from your customers and thereafter paid directly to the appropriate taxing authority and (b) any customer discounts or refunds. Amounts paid by gift card, stored value card or similar program are included in Gross Revenues when the gift card, or other instrument or applicable credit is redeemed.

7.03 Marketing Fee. You must pay us a monthly marketing fee ("Marketing Fee") in an amount to be determined by us in our sole discretion, provided that the Marketing Fee will not exceed 1% of Gross Revenues.

7.04 Technology Fee. You agree to pay us a technology fee ("Technology Fee") in an amount we periodically specify. We may establish and periodically modify the Technology Fee in our reasonable judgment, provided that the Technology Fee will not exceed 1% of Gross Revenues.

7.05 Place and Method of Payment. You will pay us, without billing or demand, all ongoing fees required by this Agreement, within the time period required by this Agreement. You will pay us, without billing or demand, all monthly fees required by this Agreement, by the 15th day of each month for the preceding calendar month. You will submit your payments to us together with any statements and reports required under Section 7.11. All fees and other payments due to us under this Agreement will be made to us at our headquarters at 1221 Liberty Pike, Franklin, TN 37067, or as we otherwise specify in writing. We have the right to require you to transmit fees and other payments to us by means of electronic fund transfers, sweep accounts, Internet payment methods, or other methods in accordance with procedures that we may establish in the Manual or otherwise specify in writing. If we require alternate means of payment, you must execute all required authorizations and other documents, establish any required accounts, and otherwise cooperate with us to effectuate these means, and you must ensure that each payment is timely and fully made.

7.06 Late Payments. If we do not timely receive any fee or any other amount due to us under this Agreement on or before the due date, you will pay us a late fee equal to $100, plus the lesser of the daily equivalent of 1% per month of the overdue amount, or the highest rate then permitted by applicable law, for each day the amount is past due, accruing until the past-due amount is paid in full. This provision does not permit or excuse late payments.

7.07 Taxes. You will pay to us when due any federal, state or local sales, gross receipts, use, value added, excise or similar taxes that are levied or assessed against us because of any fees and other payments you make to us under this Agreement, but not including any income tax or franchise tax or other tax for the privilege of doing business in your state.

7.08 Allocation of Payments. Unless we otherwise agree in writing, all payments you make to us under this Agreement will be applied in the order we determine in our sole discretion. We will not be bound by any instructions for allocation you specify.

7.09 Right of Offset. We will have the right at any time before or after termination of this Agreement, without notice to you, to offset any amounts or liabilities that you may owe to us against any amounts or liabilities that we may owe you, whether arising under this Agreement or any other agreement, loan, transaction or relationship between the parties.

7.10 Books and Records. You will maintain complete and accurate accounting books and records relating to the Franchised Business in accordance with generally-accepted accounting principles, subject to this Agreement and other reasonable accounting standards we may specify periodically.

7.11 Reports. You will prepare written periodic reports, in the forms required by the System Standards, containing the information we require about your operations during each reporting period. You will submit to us all monthly reports, including monthly reports of Gross Revenues, by the 5th day of each month for the preceding calendar month or by a later deadline that we may specify in the System Standards. You will submit to us all other reports within the time period required by the System Standards on forms that may be specified by us from time to time. You will prepare and submit other reports and information about your operations as we may reasonably request in writing or as required by the System Standards. We may require, at our option, that certain reports you are required to submit be certified as true and correct by you, your owners or your chief financial officer, and that certain reports be submitted using the formats and communication media that we specify.

7.12 Financial Statements. You will deliver to us, (a) within 30 days after the end of each quarter, an income statement, balance sheet and statements of cash flows for the Franchised Business as of the end of the previous quarter; and (b) within 90 days after the end of each fiscal year, a detailed income statement, balance sheet and statement of cash flows for such fiscal year, all of which must be accurate and complete and prepared in accordance with generally-accepted accounting principles. You must prepare and submit all financial statements in any format we may require. You agree to certify or validate each report and financial statement in that manner that we periodically specify. If we determine that you have failed to comply with your reporting or payment obligations under this Agreement, including by submitting any false reports, we may require you to have audited financial statements prepared annually by a certified public accountant at your expense during the remaining term, in addition to our other remedies and rights under the Agreement and applicable law.

7.13 Tax Returns. If we request, you will deliver to us, no later than 30 days after we request, a copy of each of your previously-filed reports and returns of sales, use and gross receipt taxes and complete copies of any previously-filed state or federal income tax returns covering the operation of the Franchised Business.

7.14 Record Retention. You will retain copies of all reports, and originals or copies of all other information, books, records, and other materials relating to operation of the Franchised Business for a period of at least 5 years following their respective dates.

8 SYSTEM STANDARDS AND MANUAL

8.01 System Standards. At present, the System includes (a) our trade secrets and other intellectual property, including Confidential Information, the Manual and know-how; (b) marketing, advertising, publicity, public relations and other promotional materials and programs; (c) System Standards; (d) training programs and materials; and (e) service quality and customer satisfaction standards and programs. You acknowledge and agree that every detail of the System is important to us and all of our franchisees in order to develop and maintain high and uniform operating standards, to increase the demand for the items and services marketed by all franchisees, and to protect our reputation and goodwill. You will maintain the high System Standards with respect to your Franchised Business, office, showroom (if applicable), vehicle, other equipment, signs, services, items, and operations. You will strictly comply with all of the mandatory System Standards in the Manual or that we otherwise provide to you in writing. We will notify you about any changes in the System Standards.

8.02 Modification of Manual. We may, in our sole discretion, change, delete from or add to the System, including any of the System Standards, by providing you with written notice of any change, or by modification of the Manual. You will implement all mandatory modifications promptly after written notice from us, provided that no modification of System Standards will alter your fundamental rights or status under this Agreement. If there is a dispute as to the contents or meaning of any part of the Manual, the version maintained by us at our principal office will be controlling. The Manual is confidential and will remain our property.

8.03 Ownership of the System. We own all rights, title and interest in and to the System. You will not acquire any proprietary interest in the System. Your right to use the System is a franchise, derived solely under this Agreement. Unauthorized use of the System by you will constitute a material breach of this Agreement.

8.04 System Improvements. All present and future distinguishing characteristics, improvements and additions to, or associated with, the System by us, you or others, and the associated goodwill will be our property, and will inure solely to our benefit. If you develop any concept, process, service, or improvement in the operation or promotion of the Franchised Business, this concept, process, service, or improvement will become our property, and we may use it or disclose it to others without any obligation to compensate you for it.

8.05 Variations. It may not be possible or practical for us to require complete and detailed uniformity under the various types of conditions different franchisees may face, and under changing customer needs and market conditions. Accordingly, we specifically reserve the right to vary standards for any franchisee based upon the particular situation involved, local conditions, existing business practices, or any other factor that we consider important to the successful operation of the particular franchisee's business. You will have no rights or claims against us for any variation from standard specifications and practices granted to any other franchisee, and you are not entitled to the same or similar variation.

9. MARKS

9.01 Ownership of the Marks. You acknowledge that we own all rights, title and interest in and to the Marks. You will not acquire any proprietary interest in the Marks, and you will not challenge ownership of the Marks or our right to use the Marks. Except as expressly provided in this Agreement, you will not acquire any rights in the Marks. Your right to use the Marks is merely a license, derived solely under this Agreement.

9.02 Registration. We, in our sole discretion, may take any actions that we deem necessary to preserve and protect ownership of, and the validity of, the Marks. You will not apply for governmental registration of the Marks, or contest the registration status of the Marks. You will display the Marks, and give notice of trademark registration and claims in the following manner: "Premier Pools & Spas®" or "Pinnacle Pools & Spas®," as applicable (or as otherwise required in the Manual). You will cooperate fully and in good faith with us for the purpose of maintaining registrations and prosecuting applications for the Marks and otherwise securing and preserving rights in and to the Marks.

9.03 Use of the Marks. You will not use the Marks without our prior written consent. Before each intended use of any material of any nature that bears any of the Marks, you will submit to us samples of the materials. You will use the Marks only as expressly authorized by this Agreement, the Manual or as we otherwise provide in writing. Unauthorized use of the Marks by you will constitute a breach of this Agreement, and an infringement of our rights in and to the Marks. You will take all steps necessary or appropriate to preserve the goodwill and prestige of the Marks. You will use the Marks only in connection with the Franchised Business. You will not use any Mark in your corporate name or legal name, but you may use a Mark in an assumed business or trade name if you first obtain our prior written consent. You will not use any Mark with any prefix, suffix or other modifying trademarks, logos, words, terms, designs or symbols or in any modified form without our prior written consent. You will not use any Mark in connection with any unauthorized item or service, or in any manner not expressly authorized under this Agreement.

9.04 Inurements. All usage of the Marks and any goodwill associated with the Marks will inure exclusively to the benefit of us. All present and future service marks, trademarks, copyrights, service mark registration and trademark registration used or to be used as part of the System, and the associated goodwill, will be our property, and will inure solely to our benefit. Upon the expiration or termination of this Agreement for any reason, no

monetary amount will be assigned as attributable to any goodwill associated with your use of the Marks.

9.05 Infringement and Litigation.

(a) You will promptly notify us in writing of (1) any adverse or infringing uses of the Marks (or names or symbols confusingly similar), Confidential Information or other System intellectual property, and (2) any threatened or pending litigation related to the Marks or System (including any patent-related claims) against (or naming as a party) you or us, of which you become aware. We have the right, in our sole discretion, to (A) handle disputes with third parties concerning use of all or any part of the Marks or System in any manner we deem appropriate, (B) choose whether or not to initiate suits or proceedings to enforce or protect rights related to the Marks or the System, and (C) direct and control any litigation or administrative proceeding relating to the Marks or the System. You will cooperate fully and in good faith with our efforts to resolve any such disputes. We may bring suit in your name or join you as a party to the relevant proceedings. We may resolve any dispute in our sole discretion, including, without limitation, by obtaining a license of the property for you at no expense to you or by requiring that you discontinue using the infringing property or modify use to avoid infringing the rights of others.

(b) We will 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 this Agreement, we will bear the cost of defense, including the cost of any judgment or settlement. If we, in our sole discretion, determine that you have not used the Marks in accordance with this Agreement, you will bear the cost of this defense, including the cost of any judgment or settlement. If there is any litigation relating to your use of the Marks, you will execute any and all documents and do other acts as may be necessary, in our opinion, to carry out defense or prosecution, including becoming a nominal party to any legal action. Except to the extent that any litigation results from your use of the Marks in a manner inconsistent with the terms of this Agreement, we will reimburse you for your out-of-pocket litigation costs in cooperating with us in the litigation.

9.06 Substitution of Marks. We reserve the right to substitute different proprietary marks for use in identifying the System, the System Businesses, and/or the items or services offered, if the Marks no longer can be used, or if we, in our discretion, determine that substitution of different proprietary marks will be beneficial to the System. In these circumstances, the use of the substituted proprietary marks will be governed by the terms of this Agreement, and we will not compensate you for the costs of this substitution. You will promptly implement any substitution, at your own expense, within the time period we reasonably require.

10. CONFIDENTIAL INFORMATION

10.01 Confidential Information. We possess certain non-public trade secrets, proprietary information, technical data, or know how which relate to our business, System, services or items, or to System Businesses, including the Manual, System Standards, quality-control systems, training materials, and information regarding salary, research, items,

services, developments, inventions, processes, techniques, designs, marketing, finances, field operations, and computer hardware and software (collectively, "Confidential Information") that we will provide to you. You will also obtain other Confidential Information during the term of this Agreement. You acknowledge that your entire knowledge of the operation of a business that sells, constructs, remodels, or supervises the construction or remodeling of swimming pools or spas, including the method of establishing this type of business, marketing and selling swimming pools and spas and related items and services, and the related specifications, standards, and procedures involved in the operation of such a business are derived solely from Confidential Information we disclosed (or will disclose) to you.

10.02 Protection of Confidential Information. You will use the Confidential Information only in the operation of the Franchised Business, and you will not disclose Confidential Information to others, except as expressly authorized by this Agreement. You will take all appropriate actions to preserve the confidentiality of all Confidential Information. You are specifically required to keep the Manual log in information confidential. Any electronic access to the Manual using your log in information will be deemed to have been done by you. Access to Confidential Information must be limited to only your employees who need the Confidential Information to perform their jobs and who have first signed a confidentiality agreement in a form approved by us. You will not copy or permit copying of Confidential Information. Your obligations under this section begin when you sign this Agreement and continue for trade secrets as long as they remain secret, and, for other Confidential Information, for as long as we continue to use the information in confidence (even if edited or revised) plus 3 years. We will respond promptly and in good faith to any inquiry by you about continued protection of any Confidential Information. You agree to pay all court costs and reasonable attorneys' fees that we incur as a result of your actual or threatened disclosure of Confidential Information.

10.03 Disclosure of Confidential Information. Notwithstanding anything to the contrary in this Section 10, you may disclose Confidential Information if you are required by law to disclose it, provided that you give us at least 10 days' notice, if feasible, of your intent to disclose. You may also disclose Confidential Information to your attorneys, accountants, financial and investment advisors, bankers or lending institutions, and other advisors and consultants of a similar nature, provided that any disclosure is only to the extent necessary for your advisors to perform their services for you, and provided that these persons have the legal obligation to, or otherwise expressly agree in writing, to keep the Confidential Information confidential. You will require that your owners, officers, Managers, employees, agents and representatives who may have access to Confidential Information sign agreements to maintain the confidentiality of any information, and these agreements will be in a form acceptable to us and will identify us as a third-party beneficiary with the independent right to enforce them.

11. INSPECTIONS AND AUDITS

11.01 Inspections and Audits. You hereby grant to us and our employees, representatives and agents the right to enter your business premises associated with the Franchised Business during regular business hours. You will permit our employees,

representatives and agents access to your offices, showroom (if applicable), vehicle, other equipment, storage areas, and other places of business, to perform inspections of your operations (including Franchised Business vehicle, equipment, signs, inventory and supplies), files, documents, records, items and Mark usage, and to audit your financial and operating books and records (including tax returns) relating to the Franchised Business, with or without prior notice of the inspection or audit. The inspections and audits will occur during normal business hours, although we may observe your operations at any time. You, and your owners, officers, Managers, employees, agents and representatives will cooperate with our inspectors and auditors in the performance of their duties. You will permit our inspectors and auditors to, among other things: take photographs, movies, video recordings or audio recordings; interview your Managers, employees, agents, and representatives; interview your customers; make copies of your books, records and other documents relating to the Franchised Business; and take samples of documents, inventory, supplies, items and other materials from your office, showroom (if applicable), vehicle, other equipment, storage areas, and other facilities used in connection with the Franchised Business.

11.02 Unapproved Items and Services. You acknowledge that your offer or sale of any unapproved items or services or any use of unapproved inventory, supplies or equipment constitutes a material breach of this Agreement and good cause for termination of this Agreement. Any dispute between you and us as to whether any item, service or equipment is approved will be governed by the most current version of the Manual or by any other official lists we maintain at our principal place of business.

11.03 Other Corrective Action. If we notify you of any deficiencies in the operation of the Franchised Business pursuant to this Agreement which are detected during any inspection or audit or which otherwise become known to us, you will take the steps we may require to correct all deficiencies within the time period we specify.

11.04 Payments. You will pay us any underpayment of, and we will pay to you or credit your account for any overpayment of, royalty fees, Marketing Fees, or other fees discovered by an audit.

11.05 Audit and Inspection Costs. You will pay us for the reasonable travel, lodging and meal expenses, and other audit and inspection costs we incur if you or your owners, officers, Managers, employees, agents or representatives fail to fully cooperate with our auditors or inspectors, or if the audit reveals that you paid us less than 98% of the correct amount of fees for any month. We may publish or disclose the results of our inspections and audits. Our rights under this Section 11 survive for 2 years after expiration or termination of this Agreement, or any Transfer.

12. RELATIONSHIP OF THE PARTIES

12.01 Independence. You are an independent contractor. You are not our legal representative or agent, and you have no power to obligate us for any purpose whatsoever. We and you have a business relationship based entirely on and circumscribed by this Agreement. No partnership, joint venture, joint employer, agency,

fiduciary or employment relationship is intended or created by reason of this Agreement. You will exercise full and complete control over, and have full responsibility for, all of your contracts, daily operations, labor relations, employment practices and policies, including the recruitment, selection, hiring, disciplining, firing, compensation, work rules, and schedules of your employees and other personnel. At all times, including in connection with all uses of any of the Marks, in connection with the operation of the Franchised Business, and in connection with all dealings with customers, suppliers, public officials, the general public, and others, you will conspicuously indicate your status as an independent contractor, including in all contracts, advertising, publicity, promotional and other marketing materials, and on any signs and uniforms, and in the fashion as specified in the Manual or as we otherwise may require. You will not make any express or implied agreements, guarantees or representations, or incur any debt in our name or on our behalf. You will not represent that the relationship between you and us is anything other than a franchise relationship. We will not be obligated by or have any liability under any agreements or representations made by you, and we will not be obligated for any damages to any person or property directly or indirectly arising out of the operation of the Franchised Business.

12.02 Joint Status. If you comprise 2 or more persons or entities (notwithstanding any agreement, arrangement or understanding between or among these persons or entities), the rights, privileges and benefits of this Agreement may only be exercised and enjoyed jointly. The liabilities and responsibilities under this Agreement will be the joint and several obligations of all of these persons or entities.

13. INSURANCE AND INDEMNIFICATION

13.01 Insurance Coverage. Before your Franchised Business begins operations, you must obtain insurance coverages as specified in the attached *Exhibit D*. You will maintain all required insurance in force during the term of this Agreement, and you will obtain and maintain any additional or substituted insurance coverage, limits and amounts as we may periodically require. Your compliance with these insurance provisions does not relieve you of any liability under any indemnity provisions of this Agreement.

13.02 Proof of Insurance. Before your Franchised Business begins operations, you will provide us with a copy of each certificate of all required insurance coverage. You will promptly provide us with copies of each certificate for all renewal or replacement insurance policies. Upon our request, you will provide to us a copy of any of your insurance policies we request within 10 days after receiving our request.

13.03 Indemnification and Defense of Claims.

(a) Independent of your obligation to procure and maintain insurance, you agree to indemnify and hold harmless us, our affiliates, and our and their respective owners, directors, officers, employees, agents, representatives, successors and assignees (collectively, the “Indemnified Parties”) against, and to reimburse any one or more of the Indemnified Parties for, all Losses (defined below) directly or indirectly arising out of or relating to: (1) the Franchised Business’s development or operation; (2) the business that

you conduct under this Agreement; (3) your breach of this Agreement; (4) your noncompliance or alleged noncompliance with any law, ordinance, rule or regulation, including those concerning the Franchised Business's operation, and including any allegation that we or another Indemnified Party is a joint employer or otherwise responsible for your acts or omissions relating to your employees; or (5) claims alleging either intentional or negligent conduct, acts or omissions by you (or your (sub)contractors or any of your or their employees, agents or representatives), or by us or our affiliates (or our or their contractors or any of our or their employees, agents or representatives), subject to Section 13.03(c). "Losses" means any and all losses, expenses, obligations, liabilities, damages (actual, consequential, or otherwise), and reasonable defense costs, including accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, or alternative dispute resolution, regardless of whether litigation, arbitration, or alternative dispute resolution is commenced.

(b) You agree to defend the Indemnified Parties against any and all claims asserted or inquiries made (formally or informally), or legal actions, investigations, or other proceedings brought, by a third party and directly or indirectly arising out of or relating to any matter described in Subsection 13.03(a)(1) through (5) above (collectively, "Proceedings"), including those alleging the Indemnified Party's negligence, gross negligence, willful misconduct and/or willful wrongful omissions. Each Indemnified Party may at your expense defend and otherwise respond to and address any claim asserted or inquiry made, or Proceedings brought, that is subject to this Section 13.03 (instead of having you defend it as required above), and agree to settlements or take any other remedial, corrective, or other actions, for all of which defense and response costs and other Losses you are solely responsible, subject to Section 13.03(c). An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its Losses, in order to maintain and recover fully a claim against you, and you agree that a failure to pursue a recovery or mitigate a Loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this Section 13.03. Your obligations under this Section 13.03 will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.

(c) Despite Section 13.03(a), you have no obligation to indemnify or hold harmless an Indemnified Party for, and we will reimburse you for, any Losses (including costs of defending any Proceeding under Section 13.03(b)) to the extent they are determined in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction to have been caused solely and directly by the Indemnified Party's willful misconduct or gross negligence, so long as the claim to which those Losses relate is not asserted on the basis of theories of vicarious liability (including agency, apparent agency, or joint employer) or our failure to compel you to comply with this Agreement, which are claims for which you are not entitled to indemnification pursuant to this Section 13.03(c). However, nothing in this Section 13.03(c) limits your obligation to defend us and the other Indemnified Parties under Section 13.03(b).

(d) Franchisees have no obligation to indemnify or hold harmless an indemnified party for losses to the extent that they are determined to have been caused solely and directly by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

14. TRANSFERS

14.01 Transfers by Us. We will have the right to transfer or assign all or any part of our rights or obligations under this Agreement to any person or legal entity. With respect to any assignment that results in the subsequent performance by the assignee of all of our obligations under this Agreement, the assignee will expressly assume and agree to perform these obligations, and will become solely responsible for all of our obligations under this Agreement from the date of assignment. In that case, you will release and hold us harmless for any future liability, and you agree to look solely to the assignee for performance of the franchisor's obligations under this Agreement that have been assigned. Without limiting the foregoing, you expressly acknowledge that we may sell our assets, Marks, or System; may sell our securities in a public offering or in a private placement; may merge, acquire other entities, or be acquired by another entity; and may undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring.

14.02 Transfer by You. You acknowledge that your rights and duties in this Agreement are personal to you, and that we have granted these rights in reliance on your business experience, skill, financial resources and personal character (and that of your owners, officers, directors, Managers and guarantors, if any). Accordingly, neither you, nor any immediate or remote successor to any part of your interest in this Agreement, nor any individual, partnership, corporation, or other legal entity that directly or indirectly owns any interest in you will sell, encumber, assign, transfer, convey, pledge, merge or give away any direct or indirect interest in this Agreement, or in you, or in all or substantially all of the assets of the Franchised Business (collectively, a "Transfer"), unless we consent and unless all of the requirements of Section 14.03 and Section 14.04 are satisfied. Any transaction requiring our consent under this Section 14.02 for which our prior written consent is not obtained will be void, as between you and us. In that event: we may terminate this Agreement under Section 15.02; you will remain responsible for performing the post-termination obligations in Section 16; and the purported transferee may not operate the Franchised Business under the Marks or the System.

14.03 Transfer Conditions. We may, to the extent permitted by applicable law, condition and withhold our consent to a Transfer, when required under Section 14.02 until the transferee and you meet certain conditions; however, we will not unreasonably withhold, delay or condition our consent. If a Transfer is to occur: (a) the proposed transferee must apply for a franchise and must meet all of our then-current standards and requirements for becoming a franchisee, in our sole discretion; (b) you or the proposed transferee must provide to us in writing the circumstances of the proposed Transfer, including the material terms of the transfer and the transferee's resulting debt load, all of which we have the right to approve; (c) the proposed transferee must provide to us the same supporting documents as a new franchise applicant; (d) you or the proposed transferee must pay us a transfer fee of $10,000; (e) the proposed transferee must sign the form of franchise

agreement we then offer to prospective franchisees, which agreement will generally provide for a new term equal to the remaining term of this Agreement, and the transferee's owners will sign our then-current form of guaranty that we require of franchisees' owners; (f) the proposed transferee and its manager must complete to our satisfaction the initial training then required for new franchisees and their managers; (g) you or the proposed transferee must refurbish the office, showroom (if applicable), vehicle, other equipment and the Franchised Business, if we require, to conform to our then-current standards and specifications; (h) we must receive general releases from you and each of your owners, and payment of all amounts then owed to us and our affiliates by you and your owners and affiliates, and the transferee and its owners and affiliates, under this Agreement or otherwise; (i) this Agreement must still be in effect, and you must not be in default under this Agreement or any other agreement with us or any of our affiliates; (j) you must give us at least 30 days prior written notice of any proposed Transfer; and (k) you or the transferee must provide us with any additional information as we may reasonably request. We may withhold consent to the proposed transfer until all of these conditions are completely satisfied in our sole discretion.

14.04 Right of First Refusal. Any individual or entity holding any direct or indirect interest in this Agreement or in a substantial portion of the assets of the Franchised Business or in you (if you are an entity) and who desires to accept any bona fide offer from a third party to purchase the interest or assets will notify us in writing of each offer, and will provide any information and documentation relating to the offer as we may require. We will have the right and option, exercisable within 30 days after receipt of the written notification, to send written notice to the seller that we or our designee intend to purchase the seller's interest on the same terms and conditions offered by the third party. If we or our designee elect to purchase the seller's interest, closing of the purchase will occur within 60 days from the date of notice to the seller of the election to purchase by us or our designee. If we decline to purchase the seller's interest, the seller will have 90 days from the date it gives written notice to us of its purchase offer to sell its interest on the same terms and conditions and to the same transferee as described to us in the written notice. Any material change in the terms of the offer from a third party will constitute a new offer that will be subject to our right of first refusal under this Agreement. Our failure to exercise the option afforded by this Section 14.04 will not constitute a waiver of any other provision of this Agreement, including all of the other requirements of Section 14.02 and Section 14.03 with respect to the proposed Transfer. If the consideration, terms or conditions offered by a third party are of the type that we or our designee may not reasonably be able to furnish, then we or our designee may purchase the relevant interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within a reasonable time on the reasonable equivalent in cash of the consideration terms or conditions offered by the third party, then each party will select an independent appraiser. The 2 appraisers will then have up to 15 business days to agree on a reasonable equivalent in cash. If they cannot agree during that period, then they will jointly select a third independent appraiser, whose decision will be final and binding on the parties.

14.05 Death, Divorce or Incapacity. Upon the death, divorce or incapacity of you (if you are an individual) or in a majority owner of you (if you are an entity), we will have the right to purchase some or all of the assets of the Franchised Business under Section 16.10. If

we exercise this right, you and your majority owner (in the event of divorce), or the executor, administrator, personal representative, trustee or heirs of the relevant person (in the event of death or incapacity) must fully cooperate with us in an orderly transfer. If we do not elect to exercise this right, you, your majority owner, or the executor, administrator, personal representative, trustee or heirs of the relevant person must transfer the relevant interest to a third party approved by us as soon as practically possible, and in no event more than 6 months after the relevant death, divorce or incapacity. This transfer, including any transfer by devise or inheritance, will be subject to the same conditions as other Transfers under this Agreement. However, in the case of transfer by devise or inheritance, if the heirs or beneficiaries of the relevant person are unable or unwilling to meet the conditions in Section 14.03, the executor, administrator, trustee or personal representative of the deceased person will have a reasonable time (but no longer than 6 months) to dispose of the interest in the Franchised Business, which will be subject to all the terms and conditions for Transfers contained in this Agreement. If the interest is not disposed of within 6 months following the relevant death or incapacity, we may terminate this Agreement under Section 15.02.

14.06 No Waiver. Our consent to a Transfer hereunder will not constitute a waiver of any claims we may have against you or the transferring party or our right to demand exact compliance with any provision of this Agreement.

15. DEFAULT AND TERMINATION

15.01 Termination Following Probation Period. The period beginning on the Effective Date of this Agreement and ending 90 days after you have begun operating the Franchised Business will be considered the "Probation Period." During the Probation Period, we will evaluate your performance as a franchisee, including whether you are: (a) fulfilling your obligations under this Agreement; (b) otherwise complying with the System Standards; (c) providing superior service to your customers; (d) cooperating with your sub-contractors and us; and (e) on track to meet your Minimum Annual Performance Requirements. If we reasonably determine that your performance as a franchisee is deficient during the Probation Period, we will provide you with written notice describing in detail the deficiencies in your performance, the substantive steps you will need to take to correct the deficiencies by the reasonable deadlines we specify (possibly including additional training under Section 6.05, and/or additional assistance or services under Section 6.08 or Section 6.13). We will re-evaluate your performance 30 days after we provide you notice of deficiencies on the same criteria described in this Section 15.01. If we reasonably determine that your performance as a franchisee is still deficient at the end of the 30-day cure period, we may terminate this Agreement for good cause effective immediately upon delivery of notice of termination to you. In that situation, we will refund to you half of the initial franchise fee you paid to us within 30 days after you have fully performed your post-term obligations under this Agreement to our reasonable satisfaction.

15.02 Termination by Us without Right to Cure. We may terminate this Agreement for good cause effective immediately upon delivery of notice of termination to you, if any of the following conditions are satisfied: (a) you are judged a bankrupt, become insolvent,

make an assignment for the benefit of creditors, are unable to pay your debts as they become due, a petition under any bankruptcy law is filed against you, or a receiver or other custodian is appointed for a substantial part of the assets of the Franchised Business; (b) you or any of your owners are convicted of a felony or other crime which may reasonably be considered to impair the goodwill associated with the Marks; (c) you or your owners made any material misrepresentation or omission in the application for the Franchise; (d) you make an unauthorized Transfer; (e) the interest of a deceased, divorced or incapacitated person is not timely Transferred in accordance with the terms of this Agreement; (f) you understate your Gross Revenues or revenues in any report or financial statement on 2 or more occasions; (g) you commit any 2 or more defaults under this Agreement within any 12-month period, regardless of whether any default is cured; (h) you fail to operate the Franchised Business for more than 7 business days in any 12-month period without our written approval; (i) you fail to begin operation of the Franchised Business within 6 months from the Effective Date of this Agreement; (j) you sell, offer for sale, or give away any items or services that have not been previously approved by us in writing, or which have been subsequently disapproved, and you fail to cease these sales or gifts within 24 hours after receipt of notice by us; (k) you fail to meet the Minimum Annual Performance Requirements during any 12-month period (but termination in this case will not be effective until 30 days following written notice); or (l) you solicit prospective customers with potential job sites outside your Territory. The satisfaction of any of these conditions will be deemed to be a material uncurable default under this Agreement.

15.03 Termination by Us with 10-Day Cure Period. If you fail or refuse to timely pay any amounts owed to us or any of our affiliates, or if you fail to obtain or maintain insurance as required by this Agreement, we may, at our option, terminate this Agreement by giving you 10 days' written notice of default. If you do not cure any of these defaults within this 10-day period, we may terminate this Agreement for good cause effective upon delivery of notice of termination to you.

15.04 Other Termination by Us. Except as provided in Sections 15.01, 15.02 and 15.03, if you are in any other default under the terms of this Agreement, we, at our option, may terminate this Agreement by giving you 30 days' written notice of default. If you do not cure all of the defaults within this 30-day period, we may terminate this Agreement for good cause effective upon delivery of notice of termination to you.

15.05 Additional Remedies. We may deny you the benefits of the System for any default under this Agreement, and discontinue System benefits to you for the duration of any default. We may institute proceedings to collect amounts due under this Agreement without first issuing a default or termination notice. Our consent or approval as may be required under this Agreement or the System Standards may be withheld while you are in default under this Agreement or may be conditioned on the cure of all of your defaults. Our termination of this Agreement pursuant to Section 15 will be in addition to all other remedies, in law or in equity, available to us.

15.06 Governing State Law. If a longer notice or cure period or a different good cause standard is prescribed by applicable law, this longer period will apply to any termination of this Agreement.

15.07 Termination by You. You may terminate this Agreement if we have committed a material breach this Agreement and have failed to cure the breach within 2 months after we receive written notice of breach from you.

16. POST-TERMINATION RIGHTS AND OBLIGATIONS

16.01 Cease Use of System and Marks. Upon the expiration or termination of this Agreement by any means or for any reason, you will immediately cease to be a franchisee of ours and you will no longer have any rights to use the System or Marks under this Agreement. You will cease to operate the Franchised Business under the System or Marks. You will also immediately cease to use, in any manner whatsoever, any methods, procedures, or techniques associated with the System and cease to use the Marks in any manner. Unless we otherwise agree in writing, you will return to us all copies of materials bearing the Marks. You will not, directly or indirectly, represent to the public that the former Franchised Business is or was operated under or in any way connected with the System, or hold yourself out as a present or former franchisee of ours.

16.02 Payment of Amounts Owed. Upon the expiration or termination of this Agreement by any means or for any reason, you will immediately pay all sums you owe us and our affiliates. Upon termination for any default by you, these sums will include actual and consequential damages, costs, and expenses incurred by us as a result of the default, including collection costs and reasonable attorneys' fees.

16.03 Return Materials. Upon the expiration or termination of this Agreement by any means or for any reason, you will immediately return to us any training materials, other proprietary information, all trade secrets and confidential materials owned or franchised by us, and all copies.

16.04 Change of Identification. Upon the expiration or termination of this Agreement by any means or for any reason, you will, upon our request, immediately remove or obliterate the Marks from the office, showroom (if applicable), vehicle, other equipment, marketing materials, supplies, signage and other items bearing any Marks. You will follow the other steps we may require in the Manual or otherwise in writing for changing the identification of your operations. You will promptly paint over or remove the distinctive System trade dress, color schemes, signage and other physical features from your office, showroom (if applicable) and vehicle. You will not use any reproduction, counterfeit copy, or colorable imitation of the Marks, either in connection with any business or the promotion thereof, that is likely to cause confusion, mistake, or deception or that is likely to dilute our exclusive rights in and to the Marks, and you will not utilize any designation of origin or description or representation which falsely suggests or represents an association or connection with us so as to constitute unfair competition. If you fail or refuse to comply with the requirements of this Section 16.04, we will have the right to enter your business premises to make or cause to be made any changes as may be required at your expense,

which expense you agree to pay us upon demand. We will exercise reasonable care in making these changes, but we will have no obligation or liability to restore your premises to its condition before making these changes. We will have the right to remove or obliterate the Mark-bearing portion of your supplies and equipment, and you will promptly pay or reimburse us for our costs of doing so.

16.05 Customer List and Jobs in Progress. Upon the expiration or termination of this Agreement by any means or for any reason, you must immediately provide to us all customer lists and contact information in your possession or control, and you must provide to us all of your files, contracts and other documentation relating to any jobs in progress or in your project queue. Upon termination, with respect to any job in progress, we will have the right (but not the obligation) to contact the applicable customer to advise the customer of such termination, or require you to do so, and you will cooperate with us as we require to ensure the customer's satisfaction with respect to such job.

16.06 Transfer of Telephone Number and Listings. Upon the expiration or termination of this Agreement by any means or for any reason, you will immediately take the action as we may require to transfer and assign to us or our designee all telephone numbers, white and yellow page telephone references, and related advertisements associated with the Franchised Business or any Mark. You acknowledge that we have the sole rights to and interest in all telephone numbers and directory listings relating to any Mark, and you authorize us to direct the telephone company and all listing agencies to transfer all telephone numbers and directory listings to us or our designee. If you fail or refuse to do so, the telephone company and all listing agencies may accept our direction as evidence of our exclusive rights in the telephone numbers and directory listings and our authority to direct the transfer. You agree to execute any written authorizations or pre-approved authorizations in the form prescribed by us directing the telephone company and any listing agencies to transfer all telephone numbers and directory listing to us or our designee upon the occurrence of any termination or expiration. You hereby irrevocably appoint us as your attorney-in-fact for this purpose. You will use your best efforts to assist us and our designee in an orderly transfer of these matters.

16.07 Cancel Assumed Name. Upon the expiration or termination of this Agreement by any means or for any reason, you will take any action as may be necessary to cancel any assumed name or equivalent registration that contains any Mark, and you will furnish us with evidence satisfactory to us of compliance with this obligation within 10 days after termination or expiration of this Agreement.

16.08 Non-Solicitation and Non-Competition. You acknowledge that we have legitimate business interests in protecting our System, our trade secrets and other Confidential Information, our goodwill associated with our Marks, and the System Businesses. Accordingly, you covenant that you will not, directly or indirectly, for a period of 2 years after the expiration or termination of this Agreement or any Transfer:

(a) engage in or invest in, own, manage, operate, finance, control, or participate in the ownership, management, operation, financing, or control of, be employed by, associated with, or in any manner connected with, lend your name or any similar name to, or render

services or advice to any business that sells, constructs, remodels, or supervises the construction or remodeling of swimming pools or spas within 50 miles of your Territory; or

(b) engage in or invest in, own, manage, operate, finance, control, or participate in the ownership, management, operation, financing, or control of, be employed by, associated with, or in any manner connected with, lend your name or any similar name to, or render services or advice to any business that sells, constructs, remodels, or supervises the construction or remodeling of swimming pools or spas within 50 miles of any territory assigned to any of our franchisees or licensees or serviced by us or any of our affiliates; or

(c) solicit or attempt to solicit any customer of the Franchised Business or any customer of ours or any of our affiliates, franchisees or licensees; or

(d) interfere with our relationship with any person, including any person who at any time during the term of this Agreement was a contractor, supplier, or customer of ours or yours.

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 Section 16.08 is held unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which we are a party, you expressly agree to be bound by any lesser covenant imposing the maximum duty permitted by law that is subsumed within the terms of the covenant, as if the resulting covenant were separately stated in and made a part of this Section 16.08. You further expressly agree that the existence of any claim you may have against us, whether or not arising from this Agreement, will not constitute a defense to the enforcement by us of the covenants in this Section 16.08. You understand and acknowledge that we will have the right, in our sole discretion, to unilaterally reduce the scope of all or part of any covenant in this Section 16.08 (before or after any dispute arises), without your consent, effective immediately upon receipt by you of written notice of any modification; and you agree that you will comply immediately with any covenant as so modified. The time period provided in this Section 16.08 will be extended for any period of non-compliance with the obligations in this Section 16.08.

16.09 Other Post-Termination Obligations. Upon the expiration or termination of this Agreement by any means or for any reason, you will immediately and strictly comply with all other provisions of this Agreement pertaining to post-termination obligations.

16.10 Right to Purchase. Upon the expiration or termination of this Agreement by any means or for any reason, we have the right, but not the obligation, to purchase for cash some or all of the assets of the Franchised Business, including vehicles, other equipment, signs, inventory, supplies, other items, marketing materials, and any items bearing any Mark. Before exercising this right, we will have the right to inspect the assets. If we elect to exercise our purchase rights, we will give you written notice of intent to do so within 30 days after termination or expiration of this Agreement. The purchase price for all assets will be the lesser of your cost or fair market value. If you cannot adequately substantiate

your costs or if the parties cannot agree on fair market value of the assets within 15 days after we provide notice of intent to purchase, then each party will select an independent appraiser. The 2 appraisers will then have up to 15 business days to agree on a fair market value for the relevant assets. If they cannot agree during that period, then the final fair market value will be determined by averaging the amounts determined by the 2 appraisers. If we elect to exercise our purchase rights, closing will take place if reasonably possible within 45 days after we provide notice of intent to purchase. We will have the right to offset all amounts you owe to us or our affiliates against any payment therefor.

16.11 Survival of Certain Provisions. Sections 7, 10, 11, 13, 16, 17, and 18 (or parts of those sections) survive termination or expiration of this Agreement (regardless of which party initiates termination or regardless of cause) or a Transfer by you. You will continue to comply with your continuing obligations under these sections following termination or expiration of this Agreement or following a Transfer until the obligations, by their nature or by the relevant express provisions, expire.

17. DISPUTE RESOLUTION

17.01 Informal Dispute Resolution. Before initiating any arbitration or litigation proceeding for any dispute arising under or relating to this Agreement, the party intending to initiate the proceeding will notify the other party in writing of the existence and specific details of the dispute. Within 15 business days after the other party's receipt of the notice, one of our officers or managers will meet with you or one of your owners, officers or Managers at our principal place of business or some other mutually-agreeable location, to negotiate in good faith in an effort to resolve the dispute amicably. If this informal attempt to resolve the dispute is unsuccessful, either party may initiate arbitration as described in Section 17.02.

17.02 Binding Arbitration. Without limiting our rights and remedies under Section 15, the parties hereto acknowledge and agree that any dispute or controversy arising out of or relating to this Agreement not settled by informal negotiations will, at the request of either party, be settled by final and binding arbitration conducted on an expedited basis described below by an independent arbitrator in accordance with the rules of arbitration jointly selected by the parties, as modified by the following provisions, on an individual basis (not a class action). If the parties have not agreed on the arbitration rules within 30 days after the arbitration demand, then the then-current Commercial Arbitration Rules of the American Arbitration Association or its successor organization (the “AAA”) as modified by the following provisions will apply. Any dispute reasonably valued at $10,000 or less is excepted from these mandatory arbitration requirements.

(a) Notice of Arbitration. Either party may initiate the arbitration proceeding by making a written demand to the other party, and both parties will then be obligated to engage in arbitration. The demand for arbitration must be served on the other party within the period provided by the applicable statute of limitations, and must contain a statement setting forth the details of the dispute, the amount involved, if any, and the remedies sought. A demand for arbitration will not operate to stay, postpone or rescind the effectiveness of

any termination of this Agreement for any non-curable default. Arbitration will not proceed until any protest of arbitrability is resolved by an appropriate court, if necessary.

(b) Selection of Arbitrator. Arbitration will be conducted before a single arbitrator who is familiar with legal disputes of the type at issue and who has at least 10 years' experience as a lawyer or in the franchise business. The parties will mutually agree on the selection of the arbitrator; however, if the parties have not agreed on the selection of an arbitrator within 30 days after the arbitration demand, either party may request the presiding judge of the state court located closest to the situs of the arbitration to appoint a qualified arbitrator.

(c) Preliminary Conference. Within 30 days after appointment of the arbitrator, the parties and/or their representatives will jointly meet with the arbitrator, in person or by telephone, for a preliminary conference. At the preliminary conference, the parties will establish the extent of and schedule for discovery, including the production of relevant documents, identification of witnesses, depositions, and the stipulation of uncontested facts. At the preliminary conference, the date for the hearing will be set, which will not, unless both parties agree, be more than 60 days after the date of the preliminary conference. At the preliminary conference, the arbitrator will designate the procedures to be followed at the hearing.

(d) Discovery. Should a dispute arise over the extent of or propriety of any discovery request, the arbitrator will make a final determination after hearing each party's position. All discovery will be completed within 45 days after the preliminary conference, unless agreed otherwise by the parties.

(e) Statement of Case. At least 5 days before the scheduled hearing, each party will deliver to the arbitrator and to the other party a written summary of its position on the issues in dispute.

(f) Hearing. Unless otherwise mutually agreed by the parties, all arbitration proceedings will be held at a location the arbitrator chooses within 10 miles of our then-current principal business address (currently, Franklin, Tennessee), and will be no more than 5 days in duration.

(g) Arbitrator's Decision. In reaching its decision, the arbitrator must follow applicable law. The arbitrator will issue a detailed, reasoned, written decision within 30 days after conclusion of the hearing, explaining the basis for the decision. Judgment upon the decision rendered by the arbitrator may be entered in any court with jurisdiction, following the same standards of appellate review applied to judicial decisions. This decision will be binding upon both parties and their owners, Managers and employees. The arbitrator will have authority to assess damages sustained by reason of any breach or wrongful termination of this Agreement, but will have no authority to amend or modify the terms of this Agreement.

(h) Time Schedule. The parties acknowledge the mutual benefits of prompt, efficient resolution of disputes through arbitration. The parties will use due diligence to meet the

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

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

(j) Confidentiality. The entire arbitration procedures are confidential. Except as necessary to enforce the decision of the arbitrator hereunder, all conduct, statements, promises, offers, views and opinions, whether oral or written, made in the course of the arbitration by any of the parties, their agents, employees or representatives and by the arbitrator, are confidential. These matters will not be discoverable or admissible for any purposes, including impeachment, in any litigation or other proceeding involving the parties, and will not be disclosed to anyone who is not an agent, employee, expert witness, or representative for any of the parties; however, evidence otherwise discoverable or admissible is not excluded from discovery or admission as a result of its use in the arbitration.

(k) Third Party Beneficiaries. The parties acknowledge and agree that all claims (subject to Section 17.03) arising out of or relating to this Agreement in any way against or by any person or entity, whether a signatory to this Agreement or not, will be resolved through arbitration. You acknowledge that our affiliates, owners, officers, directors, representatives and agents are intended beneficiaries of this provision, and may enforce all rights herein in an arbitration proceeding. We will rely on this acknowledgement during our evaluation of whether to enter into this Agreement with you.

17.03 Provisional Remedies. Notwithstanding Sections 17.01 or 17.02, each party will have the right to seek provisional remedies from an appropriate court, including declaratory relief, specific enforcement, temporary restraining orders or preliminary injunctions, before, during, after or instead of informal dispute resolution or arbitration for protection of the Marks and other intellectual property, enforcement of confidentiality and non-competition obligations, enforcement of post-term obligations. Neither party is required to await the outcome of any informal dispute resolution or arbitration before seeking provisional remedies. The seeking of provisional remedies will not be deemed to be a waiver of either party's right to compel informal dispute resolution or arbitration. You acknowledge that any failure to fully and strictly comply with Sections 10 and 16.08 will result in irreparable injury to us for which there is no adequate remedy at law, and you agree that, in the event of any noncompliance with any of these sections, we will be entitled to temporary, preliminary, and permanent injunctions and all other equitable relief that any court with jurisdiction may deem just and proper. An action seeking provisional

remedies will be brought in the appropriate state or federal court closest to our then-current principal business address (currently, Franklin, Tennessee). The parties consent to the exercise of personal jurisdiction over them by these courts, and to the propriety of venue in these courts for the purpose of this Section 17.03, and the parties waive any objections that they would otherwise have in this regard. Both parties waive the posting of any bond in connection with any provisional remedy.

17.04 Costs of Enforcement. If we incur legal fees, collection costs, or any other expenses to obtain any provisional remedy pursuant to Section 17.03 of this Agreement, or to enforce any provision of this Agreement against you, then you will be liable to us for all costs and expenses of enforcement and collection including, but not limited to, court costs and reasonable attorneys' fees, experts' fees and expenses incurred by us (including the fair market value of any time expended by legal counsel employed by us). You will pay any such amount we invoice to you within 10 days after you receive our invoice.

17.05 Jurisdiction. The parties hereto agree that it is in their best interest to resolve disputes between them in an orderly fashion and in a consistent manner in the location where this Agreement was entered into and where many of the relevant witnesses and documents are located. Therefore, the parties agree that any litigation relating to this Agreement or the operation of the Franchised Business will take place exclusively in the federal or state court of general jurisdiction closest to our then-current principal business address (currently Franklin, Tennessee); provided that we have the option to bring suit against you, involving any claim for injunctive relief or the recovery of any interest in property, in any state or federal court within the jurisdiction where your Franchised Business is or was located or where any of your owners lives. The parties consent to the exercise of personal jurisdiction over them by these courts, and to the propriety of exclusive venue in these courts for the purpose of this Agreement, and the parties waive any objections that they would otherwise have in this regard. Each of the parties specifically waives any defense of inconvenient forum to the maintenance of any action or proceeding so brought and waives any bond, surety, or other security that might be required of any other party with respect thereto.

17.06 Waivers. THE PARTIES WAIVE ANY RIGHT TO JURY TRIAL THAT THEY MAY HAVE IN ANY ACTION ARISING OUT OF OR UNDER THIS AGREEMENT. IT IS THE INTENT OF THE PARTIES THAT ANY ARBITRATION OR LITIGATION BETWEEN THEM WILL BE OF INDIVIDUAL CLAIMS, AND THAT THE CLAIMS SUBJECT TO ARBITRATION OR LITIGATION WILL NOT BE RESOLVED AS A CLASS ACTION OR ON A CONSOLIDATED BASIS. THE PARTIES AGREE THAT ACTUAL DAMAGES ARE SUFFICIENT TO SATISFY ANY ECONOMIC LOSS ARISING OUT OF OR UNDER THIS AGREEMENT, AND THEY WAIVE ALL CLAIMS FOR PUNITIVE DAMAGES IN ANY ARBITRATION OR LITIGATION.

18. GENERAL PROVISIONS

18.01 Partial Invalidity. If all or part of any provision of this Agreement violates applicable law, then the affected provision or part will not be given effect. If all or any part of a

provision of this Agreement is declared invalid or unenforceable, for any reason, or is not given effect by reason of the prior sentence, then the remainder of the Agreement will not be affected, and the parties will modify the invalid or unenforceable provision to the extent required to be valid and enforceable. However, if in our judgment this result substantially impairs the value of this Agreement to us, then we may at any time terminate this Agreement by written notice to you, without penalty or compensation owed by either party.

18.02 Waivers, Modifications and Approvals. Whenever this Agreement requires our prior approval or consent, you will make a timely written request to us, and we may reasonably withhold, condition or withdraw our consent. No failure of us to exercise any power reserved to us by this Agreement and no custom or practice of the parties at variance with the provisions of this Agreement will constitute a waiver of our right to demand exact compliance with any of the provisions of this Agreement. A waiver or approval by us of any particular default by you or by any other franchisee or acceptance by us of any payments due hereunder will not be considered a waiver or approval by us of any preceding or subsequent breach by you of any term, covenant, or condition of this Agreement. We will not be deemed to have waived any of our rights under this Agreement, nor will you be deemed to have been excused from performance of any of your obligations pursuant to this Agreement, unless the waiver or excuse is written and executed by an authorized representative of us and you. To be effective, any modifications, waivers, approvals and consents of, or under, this Agreement by us must be designated as such, in writing, and signed by our authorized representative. Notwithstanding anything to the contrary in this Agreement, you acknowledge and agree that Sections 4.22 and 16.08 of this Agreement permit us to unilaterally modify this Agreement in certain circumstances.

18.03 Notices. Any notice or demand permitted or required to be delivered under Agreement relating to formal notice of default, termination, successor franchise rights, transfer, or dispute resolution must be in writing, and delivered to us by mail or delivery service at 1221 Liberty Pike, Franklin, TN 37067, or to you at the address listed on the signature page of this Agreement. All other notices, reports, and other information and documents permitted or required to be delivered under Agreement will be delivered to the other party by mail, delivery service, fax, email or other electronic communication at the address, fax number or email address specified in this Agreement or otherwise provide by the relevant party. Either party may modify its address, fax number and email address periodically by giving written notice to the other party. Notices will be deemed given on the date delivered or on the date of the first attempted delivery, if delivery is refused or unclaimed.

18.04 Governing Law. You acknowledge that we may grant numerous franchise agreements throughout the United States on terms and conditions similar to this Agreement, and that it is in the best interest of the entire franchise system that these terms and conditions be uniformly interpreted. This Agreement takes effect upon its acceptance by us, and will be governed by and interpreted in accordance with Tennessee law applicable to contracts made and to be wholly performed in that state without regard to its conflicts of law rules; provided, however, that this provision is not intended to subject this Agreement to any franchise or similar law, rule or regulation of the State of Tennessee

to which it would not otherwise be subject, except that the arbitration provision will be governed by the Federal Arbitration Act, and the rights and obligations of the parties relating to the Marks will be governed by the federal Lanham Act.

18.05 Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered will be deemed an original, but the counterparts together will constitute one and the same instrument.

18.06 Construction. No provision of this Agreement will be interpreted in favor of or against either party merely because of that party's role in the preparation of this Agreement, or because of the nature or type of this Agreement. The headings and captions contained in this Agreement are for the purpose of convenience and reference only, and are not to be construed as part of this Agreement. All terms and words used in this Agreement will be construed to include the number and gender as the context of this Agreement may require. The parties agree that each section of this Agreement will be construed independently of any other section or provision of this Agreement. All references in this Agreement to Sections or Exhibits refer to the relevant sections and exhibits, respectively, of this Agreement. This Agreement, together with the exhibits and any addenda attached, is the entire agreement, and supersedes all prior representations, agreements and understandings (oral or written) of the parties. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the Franchise Disclosure Document that we furnished to you. Except for the Indemnitees, or as otherwise expressly provided in this Agreement, there are no third-party beneficiaries hereunder. No agreement between us and any third party is for your benefit. Except as expressly provided in this Agreement, this Agreement is binding on and will inure to the benefit of the parties hereto and their respective legal representatives, successors and permitted assigns. Time is of the essence.

18.07 Force Majeure. Notwithstanding anything contained in this Agreement to the contrary, neither party will be in default hereunder by reason of its delay in performance of, or failure to perform, any of its obligations hereunder, if this delay or failure is caused by strikes or other labor disturbance; acts of God, or the public enemy, riots or other civil disturbances, fire, or flood; interference by civil or military authorities; compliance with governmental laws, rules, or regulations which were not in effect and could not be reasonably anticipated as of the date of this Agreement; delays in transportation, failure of delivery by suppliers, or inability to secure necessary governmental priorities for materials; or, any other fault beyond its control or without its fault or negligence. In this event, the time required for performance of the obligation will be the duration of the unavoidable delay.

18.08 No Waiver or Disclaimer of Reliance in Certain States. The following provision applies only to Premier Pools & Spas®/Pinnacle Pools & Spas® franchisees and franchises that are subject to the state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

18.09 State Addenda. The laws of certain states may supersede some of the provisions of this Agreement, and certain states require us to supplement or modify the provisions of this Agreement. If applicable, these supplements and modifications are contained in State Addenda attached as *Exhibit E* and reflected in Sections 18.08 and 19.01. Upon execution of this Agreement, you will also execute an addendum if applicable. If multiple state addenda are made part of this Agreement, these state addenda will be construed and applied as narrowly as possible, consistent with applicable state law, in order to avoid potential conflicts between them.

19. ACKNOWLEDGMENTS

19.01 Acknowledgments Not Applicable in Certain States. The acknowledgments appearing in Sections 19.02, 19.03, 19.04, 19.05, 19.06, 19.07, 19.08 and 19.10 do not apply to Premier Pools and Spas®/Pinnacle Pools & Spas® franchisees and franchises that are subject to the state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin.

19.02 Accurate Information. You represent that all information in any and all applications, financial statements and submissions to us is true, complete and accurate in all respects. You acknowledge that we are relying upon the truthfulness, completeness and accuracy of this information in our decision to enter into this Agreement with you.

19.03 Proper Disclosure. You acknowledge that we or our agent have provided you with our current Franchise Disclosure Document not later than the earlier 14 days before the execution of this Agreement, or 14 days before any payment of any consideration in connection with this transaction. You acknowledge that we have provided you with a copy of this Agreement and all related documents, fully completed, at least 7 days before you sign this Agreement.

19.04 Consultation and Understanding. You represent and acknowledge that: (a) you have read and understood this Agreement and our Franchise Disclosure Document; (b) we have fully and adequately explained the provisions of each to your satisfaction; (c) we have advised you to consult with your own attorneys, accountants, or other advisers about the potential benefits and risks of entering into this Agreement; (d) you have had ample opportunity to consult with advisors of your own choosing; (e) you and your advisors have sufficient knowledge and experience in financial and business matters to make an informed decision; and (f) our attorneys have not advised or represented you with respect to this Agreement or the relationship created hereby.

19.05 Independent Investigation of Risks. You represent that you have conducted an independent investigation of the business contemplated by this Agreement, and you acknowledge that, like any other business, an investment in the Franchised Business involves substantial unavoidable business risks. You acknowledge that the success of the Franchised Business is primarily dependent upon the business abilities and efforts of you and your Manager and employees.

19.06 No Warranty or Guarantee. You acknowledge that you have not received or relied upon any warranty or guarantee, express or implied, as to the potential revenues, income, profits, volume or success of the business venture contemplated by this Agreement, or as to any other matter, which is not contained in this Agreement or in our Franchise Disclosure Document. You acknowledge that you have read this Agreement and our Franchise Disclosure Document, and that you have no knowledge of any representation by us or any of our officers, directors, shareholders, employees or agents that is contrary to the statements made in our Franchise Disclosure Document or contrary to the terms of this Agreement. We expressly disclaim the making of any warranty, guarantee or representations of this type.

19.07 Reasonable Covenants. The covenants not to compete in this Agreement are fair and reasonable and will not impose any undue hardship on you or your owners, since you and your owners have other considerable skills, experience and education which afford you and your owners the opportunity to derive income from other endeavors.

19.08 No Business Opportunity Representations. You acknowledge that we and our officers, directors, shareholders, employees or agents have **not** made any representation that: (a) we guarantee that you will derive any income from the Franchised Business (including any income which will exceed the initial franchise fee); (b) we guarantee that we will refund all or part of the initial franchise fee if you are not satisfied with the Franchise; or (c) we will provide a sales program or marketing program that will enable you to derive any income from the Franchised Business (including any income which exceeds the initial franchise fee).

19.09 Anti-Terrorism Requirements. You represent and warrant that you, your owners, and your property are not designated as suspected terrorists under U.S. Executive Order 13224 or any other official designation by the U.S. government or any of its agencies, and are otherwise not in violation of any anti-terrorism law.

19.10 Franchisee Questionnaire. To assist us with our efforts to ensure complete compliance with applicable laws, you must complete, sign and deliver to us the Franchisee Questionnaire form attached to this Agreement as *Exhibit F* when you sign and deliver this Agreement. You represent that all of your responses in that form are true, complete and accurate in all respects.

[SIGNATURE PAGE FOLLOWS]

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

FRANCHISEE:

Entity name (if any):_____

By:_____
Printed Name:_____
Title:_____

By:_____
Printed Name:_____
Title:_____

Franchisee's Address for Notices:

_____
_____
_____

FRANCHISOR:

PREMIER FRANCHISE MANAGEMENT LLC

By:_____
Name:_____
Title:_____

Effective Date:_____

SPOUSAL CONSENT TO FRANCHISE AGREEMENT

(for spouses of individual franchisees)

I certify that:

1. I am the spouse or registered domestic partner of an individual who executed the foregoing Franchise Agreement.

2. I have read and approved the provisions of that Franchise Agreement, including but not limited to those relating to the transfer, sale or other disposition of the franchise.

3. I agree to be bound by and accept the provisions of that Franchise Agreement in place of all other interests I may have in the franchise, whether that interest may be community property or otherwise.

4. My spouse or registered domestic partner shall have full power of management of all interest in the franchise, including that any portion of the franchise that may be my community property.

5. I have been advised to seek legal counsel of my own before signing this consent form, and I had reasonable opportunity to do so.

6. I have read this consent form and fully understand the terms, nature and effect of this consent form, which I voluntary sign in good faith.

By:_____
Printed Name:_____
Date Signed:_____

By:_____
Printed Name:_____
Date Signed:_____

EXHIBIT A
to the Franchise Agreement

Territory: The Territory for your Franchised Business as provided in Section 2.03 of the Agreement is:

_____

_____

_____

Trade Name: The Trade Name for your Franchised Business as provided in Section 4.09 of the Agreement is:

_____

Your Services: You will offer and provide the following pool and spa services:

Gunite Construction _____
Fiberglass Construction _____
Vinyl Construction _____
Remodels _____

Minimum Annual Performance Requirements:

YEAR	MINIMUM ANNUAL GROSS REVENUES			
	Gunite	Fiberglass	Vinyl	Remodels
1	$_____	$_____	$_____	$_____
2	$_____	$_____	$_____	$_____
3	$_____	$_____	$_____	$_____
4	$_____	$_____	$_____	$_____
5	$_____	$_____	$_____	$_____
6	$_____	$_____	$_____	$_____
7	$_____	$_____	$_____	$_____
8	$_____	$_____	$_____	$_____
9	$_____	$_____	$_____	$_____
10	$_____	$_____	$_____	$_____

[SIGNATURES APPEAR ON FOLLOWING PAGE]

FRANCHISEE:
Entity name (if any):
_____

By: _____
Printed Name: _____
Title: _____

By: _____
Printed Name: _____
Title: _____

FRANCHISOR:
PREMIER FRANCHISE MANAGEMENT LLC

By: _____
Name: _____
Title: _____

Effective Date: _____

EXHIBIT B
to the Franchise Agreement

ENTITY INFORMATION
(used with entity franchisees)

If the franchisee is an entity, you have a continuing obligation under Section 2.05 to provide accurate and updated information, as follows:

Type of Entity: _____

State of Formation: _____

Date of Formation: _____

Entity Owners:

Name _____ Percentage:_____
Name _____ Percentage:_____
Name _____ Percentage:_____
Name _____ Percentage:_____

Officers:

Name _____ Position:_____
Name _____ Position:_____
Name _____ Position:_____
Name _____ Position:_____

Directors (if franchisee is a corporation) or Managers (if entity is an LLC):

Name _____ Position:_____
Name _____ Position:_____
Name _____ Position:_____
Name _____ Position:_____

FRANCHISEE:
Entity name
_____

By: _____
Printed Name: _____
Title: _____

By: _____
Printed Name:_____
Title:_____

FRANCHISOR:
PREMIER FRANCHISE MANAGEMENT LLC

By:_____
Name:_____
Title:_____

Effective Date:_____

EXHIBIT C
to the Franchise Agreement

GUARANTY AND ASSUMPTION OF OBLIGATIONS
(used with entity franchisees)

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given by _____, effective as of the date on which Franchisee (defined below) executes the Agreement (as defined below).

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (the "Agreement") on this date by Premier Franchise Management LLC ("PFM"), each of the undersigned personally and unconditionally (a) guarantees to PFM and its successors and assigns, for the term of the Agreement (including extensions) and afterward as provided in the Agreement, that _____ ("Franchisee") will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement (including any amendments or modifications of the Agreement); and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement (including any amendments or modifications of the Agreement), both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including, without limitation, the arbitration, non-competition, confidentiality, and transfer requirements.

Each of the undersigned acknowledges that he, she or it is an owner (whether direct or indirect) of Franchisee; that he, she or it will benefit significantly from PFM's entering into the Agreement with Franchisee; and that PFM would not enter into the Agreement unless each of the undersigned agrees to sign and comply with the terms of this Guaranty.

Each of the undersigned consents and agrees that: (1) his, her or its direct and immediate liability under this Guaranty will be joint and several, both with Franchisee and among other guarantors; (2) he, she or it will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon PFM's pursuit of any remedies against Franchisee or any other person or entity; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence that PFM may from time to time grant to Franchisee or to any other person or entity, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims (including, without limitation, the release of other guarantors), none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement (including extensions), for so long as any performance is or might be owed under the Agreement by Franchisee or any of its owners or guarantors, and for so long as PFM has any cause of action against Franchisee or any of its owners or guarantors; and (5) this Guaranty will continue in full force and effect for (and as to) any extension or modification of the Agreement and despite the transfer of any direct or indirect interest in the Agreement or Franchisee, and each of

the undersigned waives notice of any and all renewals, extensions, modifications, amendments, or transfers.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation that any of the undersigned may have against Franchisee arising as a result of the undersigned's execution of and performance under this Guaranty, for the express purpose that none of the undersigned shall be deemed a "creditor" of Franchisee under any applicable bankruptcy law with respect to Franchisee's obligations to PFM; (ii) all rights to require PFM to proceed against Franchisee for any payment required under the Agreement, proceed against or exhaust any security from Franchisee, take any action to assist any of the undersigned in seeking reimbursement or subrogation in connection with this Guaranty or pursue, enforce or exhaust any remedy, including any legal or equitable relief, against Franchisee; (iii) any benefit of, or any right to participate in, any security now or hereafter held by PFM; and (iv) acceptance and notice of acceptance by PFM of his, her or its undertakings under this Guaranty, all presentments, demands and notices of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest, notices of dishonor, notices of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices and legal or equitable defenses to which he, she or it may be entitled. PFM shall have no present or future duty or obligation to the undersigned under this Guaranty, and each of the undersigned waives any right to claim or assert any such duty or obligation, to discover or disclose to the undersigned any information, financial or otherwise, concerning Franchisee, any other guarantor, or any collateral securing any obligations of Franchisee to PFM. Without affecting the obligations of the undersigned under this Guaranty, PFM may, without notice to the undersigned, extend, modify, supplement, waive strict compliance with, or release all or any provisions of the Agreement or any indebtedness or obligation of Franchisee, or settle, adjust, release, or compromise any claims against Franchisee or any other guarantor, make advances for the purpose of performing any obligations of Franchisee under the Agreement, and/or assign the Agreement or the right to receive any sum payable under the Agreement, and the undersigned each hereby jointly and severally waive notice of same. The undersigned expressly acknowledge that the obligations hereunder survive the expiration or termination of the Agreement.

In addition, the undersigned each waive any defense arising by reason of any of the following: (a) any disability, counterclaim, right of set-off or other defense of Franchisee, (b) any lack of authority of Franchisee with respect to the Agreement, (c) the cessation from any cause whatsoever of the liability of Franchisee, (d) any circumstance whereby the Agreement shall be void or voidable as against Franchisee or any of its creditors, including a trustee in bankruptcy of Franchisee, by reason of any fact or circumstance, (e) any event or circumstance that might otherwise constitute a legal or equitable discharge of the undersigned's obligations hereunder, except that the undersigned do not waive any defense arising from the due performance by Franchisee of the terms and conditions of the Agreement, (f) any right or claim of right to cause a marshaling of the assets of Franchisee or any other guarantor, and (g) any act or omission of Franchisee.

If PFM is required to enforce this Guaranty in a judicial proceeding, and prevail in such proceeding, PFM shall be entitled to reimbursement of its costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding. If PFM is required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the undersigned shall reimburse PFM for any of the above-listed costs and expenses it incurs.

Subject to the arbitration obligations in Section 17.02 of the Agreement and the provisions below, each of the undersigned agrees that all actions arising under this Guaranty or the Agreement, or otherwise as a result of the relationship between PFM and the undersigned, must be brought exclusively in the state or federal court of general jurisdiction in the state, and in (or closest to) the city, where PFM maintains its principal business address at the time that the action is brought. Each of the undersigned irrevocably submits to the jurisdiction of those courts and waives any objection he, she or it might have to either the jurisdiction of or venue in those courts. Nonetheless, each of the undersigned agrees that PFM may enforce this Guaranty and any arbitration orders and awards in the courts of the state or states in which he, she or it is domiciled or has assets. EACH OF THE UNDERSIGNED IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, ARISING UNDER OR RELATING TO THIS GUARANTY OR ITS ENFORCEMENT.

[Signature Page Follows]

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature below, effective as of the date on which Franchisee executes the Agreement.

GUARANTOR(S)	**PERCENTAGE OF OWNERSHIP IN FRANCHISEE**
_____ [Signature]	_____%
_____ [Print Name]	
_____ [Signature]	_____%
_____ [Print Name]	
_____ [Signature]	_____%
_____ [Print Name]	
_____ [Signature]	_____%
_____ [Print Name]	

SPOUSAL CONSENT FOR GUARANTY AND ASSUMPTION OF OBLIGATIONS

(used with spouses of entity owners)

I certify that:

1. I am the spouse or registered domestic partner of an individual who executed the foregoing Guaranty and Assumption of Obligations (the "Guaranty").

2. I have read and approved the provisions of the Guaranty.

3. I agree to be bound by and accept the provisions of the Guaranty in place of all other interests I may have in the franchise, whether that interest may be community property or otherwise.

4. My spouse or registered domestic partner shall have full power of management of all interest in the franchise, including that any portion of the franchise that may be my community property.

5. I have been advised to seek legal counsel of my own before signing this consent form, and I had reasonable opportunity to do so.

6. I have read this consent form and fully understand the terms, nature and effect of this consent form, which I voluntary sign in good faith.

By:_____
Printed Name:_____
Date Signed:_____

By:_____
Printed Name:_____
Date Signed:_____

EXHIBIT D
to the Franchise Agreement

INSURANCE REQUIREMENTS

I. Minimum Insurance Coverage Requirements

You must maintain in force at your expense the following minimum insurance coverage. These requirements represent minimum standards only; additional coverage beyond these minimums is permitted and may be advisable based on your individual risk exposure. See Section IX for PFM's disclaimer regarding coverage adequacy and Franchisee's independent responsibility.

(1) Commercial General Liability (CGL). You must maintain CGL insurance, including products/completed operations, property damage, owned and non-owned automobile, and personal injury coverage, written on ISO Form CG 00 01 or a form at least as broad, with limits of at least $1,000,000 per occurrence, $2,000,000 aggregate, with $5,000 per person medical payments. All policies must be written on an occurrence basis and we strongly recommend defense outside the limits for all insureds where available from Franchisee's carrier.

(2) Commercial Automobile Liability (CAL). You must maintain CAL insurance written on ISO Form CA 00 01 or a form at least as broad, using Symbol 1 (recommended, not required) (Any Auto), or Symbols 8 (Hired Autos) and 9 (Non-Owned Autos) if you have no owned autos, covering bodily injury and property damage arising from any motor vehicle used in your operations and contractual liability, with limits of at least $1,000,000 combined single limit per accident.

(3) Workers' Compensation (WC). To the extent required by applicable law and to the extent Franchisee has employees, you must maintain workers' compensation insurance at statutory limits as prescribed by the law(s) of each jurisdiction in which work is performed, plus any other coverage required by applicable law. Franchisees with no employees should consult with legal counsel and a licensed insurance professional regarding WC obligations in their jurisdiction before waiving this coverage.

(4) Employer's Liability (EL). To the extent Franchisee has employees, you must maintain employer's liability coverage with limits of at least: $1,000,000 bodily injury by accident, each accident; $1,000,000 bodily injury by disease, each employee; and $1,000,000 bodily injury by disease, policy limit. Franchisees with no employees should consult with legal counsel and a licensed insurance professional regarding EL obligations in their jurisdiction before waiving this coverage.

(5) Umbrella / Excess Liability. You must maintain umbrella or excess liability insurance written on an occurrence form with limits of at least $3,000,000 per occurrence and in the annual aggregate, applying excess of underlying CGL, CAL, and EL insurance. The Umbrella / Excess policy must meet all requirements applicable to underlying policies under this Agreement, including additional insured, primary and non-contributory, waiver of subrogation, and contractual liability. Policy effective dates must be concurrent with underlying CGL and EL effective dates. No insurance maintained by Additional Insureds shall be called upon to contribute to any loss until all of Franchisee's primary and excess liability policies are fully exhausted.

We also recommend, but do not require, Contractors Professional Liability coverage. Additional recommended coverage guidance is set forth in our Operations Manual, which may be updated at our discretion.

II. Additional Insured Requirements

PFM and any affiliates we designate must be named as Additional Insureds on your CGL, CAL, and Umbrella / Excess Liability policies by written contract and specifically listed as Additional Insureds on each policy. Your insurance shall be primary and non-contributory, at least as broad as ISO endorsement CG 20 01, with respect to any insurance, self-insurance, self-insured retentions, or deductibles maintained by Additional Insureds.

Additional insured coverage under your CGL and Umbrella / Excess Liability policies must be provided using ISO Form CG 20 10 10 01 (ongoing operations) and ISO Form CG 20 37 10 01 (products/completed operations), or equivalent forms providing additional insured coverage for both ongoing and completed operations. Coverage and limits shall apply to the extent available to the named insured under the policy.

All policies providing Additional Insured coverage must include severability of interests / separation of insureds provisions.

III. Policy Requirements

All policies must: (i) be issued by an insurer licensed and authorized to do business in each state where operations are conducted, acceptable to us, and rated no less than A / VIII in the most current edition of Best's Insurance Reports (workers' compensation carriers are exempt from the Best's rating requirement); (ii) be written on an occurrence basis, except that Contractors Professional Liability and Contractors Pollution Liability policies may be written on a claims-made basis. Each such policy must have limits of at least $1,000,000 per claim and $2,000,000 annual aggregate. The retroactive date must precede the effective date of this Agreement, coverage must be continually renewed for the greater of 3 years after completion of operations, the applicable statute of limitations, or the applicable statute of repose, and if canceled or non-renewed without a replacement claims-made policy, you must purchase extended reporting coverage for the same period; (iii) contain a waiver of subrogation in favor of PFM and its affiliates, officers, directors, managers, members, employees, and agents; (iv) provide at least 30 days' prior written notice to us before cancellation or material alteration, and at least 10 days' prior written notice of cancellation due to non-payment of premium; and (v) carry deductibles, self-insured retentions, and terms consistent with our requirements. You are solely responsible for all deductibles, self-insured retentions, and premiums.

IV. Completed Operations Tail

Franchisee must purchase a tail endorsement for completed operations liability upon: (i) termination, expiration, or non-renewal of this Agreement; (ii) cessation of pool construction or installation operations; or (iii) any lapse, cancellation, or non-renewal of CGL coverage without a replacement occurrence-basis policy taking effect on or before the prior policy's expiration date. In the case of a coverage lapse, Franchisee must obtain such coverage before or immediately upon the lapse.

Tail coverage must maintain limits at least equal to those required under Section I(1), include additional insured, primary and non-contributory, and waiver of subrogation coverage consistent with this Agreement, and remain in force after the later of: (i) 90 days following substantial completion of the final project or (ii) 3 years after the final payment of the final project. This obligation survives termination or expiration of this Agreement.

V. Certificates of Insurance and Policy Documents

You must provide us with current certificates of insurance before your Franchised Business begins operations and promptly upon each renewal or replacement. Upon our request, you must provide ACORD Certificates of Insurance along with copies of all required endorsements (including additional insured, primary and non-contributory, waiver of subrogation, and notice of cancellation/non-renewal endorsements), and the Declarations and Endorsements Pages of your CGL listing all policy endorsements. You must provide all requested documents to us within 10 days of our request.

VI. Subcontractors

If Franchisee engages any subcontractors or other third parties in connection with the operation of the Franchised Business, Franchisee shall, by written contract, require such parties to maintain insurance coverage at least as broad as specified in this Agreement, including naming PFM and all required Additional Insureds on a primary and non-contributory basis. For CGL coverage, such contracts shall require subcontractors to provide additional insured coverage at least as broad as ISO forms CG 20 38 (ongoing operations) and CG 20 40 (products/completed operations), or equivalent forms. Franchisee's obligation to maintain the insurance required under this Agreement is not reduced or limited by any failure of a subcontractor to procure or maintain compliant coverage. Franchisee's selection, engagement, supervision, and management of subcontractors are solely Franchisee's responsibility.

VII. Waivers of Subrogation

To the extent a loss is covered by insurance maintained under this Agreement, PFM and you each waive, and shall cause your respective insurers to waive, any rights of subrogation against the other party and its affiliates, officers, directors, managers, members, employees, and agents for such covered loss. Each party shall use commercially reasonable efforts to obtain endorsements necessary to effectuate this waiver. This waiver applies even if the benefiting party would otherwise have a duty to indemnify, did not pay the premium, or would not otherwise have an insurable interest in the damaged property, but only to the extent of the covered loss.

VIII. Additional Recommended Coverage

PFM may from time to time identify additional recommended insurance coverage in the Operations Manual, which may be updated at PFM's discretion. Franchisee is encouraged to review the Operations Manual periodically and consult with a licensed insurance professional regarding its specific risk exposure. Any such recommendations do not constitute a representation that the identified coverage will be adequate, nor do they create any obligation on PFM's part with respect to Franchisee's insurance decisions.

IX. No Representation of Coverage Adequacy; Franchisee's Independent Responsibility

The insurance requirements in this Agreement represent minimum standards established for PFM's benefit. PFM makes no representation that required coverage types, limits, or terms will be sufficient to protect Franchisee against any loss or liability arising from the operation of the Franchised Business. The nature, scope, and scale of Franchisee's operations may require coverage types, limits, or terms beyond those specified herein, and Franchisee is solely

responsible for independently assessing its own risk exposure and obtaining any additional coverage it deems necessary or advisable, at its sole expense. To the extent any loss, claim, or liability exceeds policy limits, falls within a deductible or self-insured retention, or is otherwise excluded or uncovered for any reason, Franchisee remains fully liable for the entire amount. Required coverage does not limit or satisfy Franchisee's indemnification obligations to PFM under this Agreement. PFM's right to require, review, or approve Franchisee's insurance does not create any duty or liability on PFM's part with respect to ensuring the required insurance coverages are maintained or the adequacy of any such coverage, and Franchisee waives any claim or defense to the contrary.

X. No Third-Party Beneficiary

The insurance requirements in this Agreement are established solely for the mutual benefit of the parties hereto. No customer, claimant, or other third party is an intended beneficiary of these requirements, and no such party shall have any right to enforce these provisions or assert any claim against PFM based on Franchisee's failure to: (i) procure the minimum insurance coverages required, whether pursuant to the Franchise Agreement or applicable law; (ii) maintain such required insurance coverages; or (iii) to maintain adequate insurance coverages for Franchisee's particular business and operations.

XI. General

Insurance requirements are subject to change. We may reasonably increase minimum liability requirements annually or otherwise modify requirements upon reasonable notice. Your obligation to maintain required insurance is independent of and not limited by any insurance we maintain. Franchisee is required at all times to maintain the insurance coverages required by applicable law and nothing herein shall be read to waive PFM's right to terminate the Franchise Agreement with Franchisee for failure to comply with applicable law in obtaining and maintaining insurance coverages. Franchisee's failure to maintain the required insurance as set forth herein or as required by law and to provide timely proof of the same to PFM in a form acceptable to PFM is grounds for PFM, in its sole and absolute discretion, to terminate the Franchise Agreement with Franchisee. Nothing herein shall constitute legal advice to the Franchisee and Franchisee is strongly encouraged to seek legal counsel and the advice of the appropriate insurance brokers/advisors, as applicable, to ensure Franchisee has sufficient insurance coverages.

FRANCHISEE:

Entity name (if any):_____

By:_____
Printed Name:_____
Title:_____

By:_____
Printed Name:_____
Title:_____

EXHIBIT E
to the Franchise Agreement

STATE ADDENDA

ADDENDUM TO THE PREMIER FRANCHISE MANAGEMENT LLC'S FRANCHISE AGREEMENT FOR USE IN ILLINOIS

This Addendum (the "Addendum") is made as of the Effective Date of the Franchise Agreement (defined below) by and between Premier Franchise Management LLC ("we" or "us"), a Nevada limited liability company, having our principal place of business at 1221 Liberty Pike, Franklin, TN 37067, and _____, a [corporation/limited liability company/partnership/individual], having its principal place of business at _____ ("you").

1. Background. We and you are parties to that certain Franchise Agreement dated _____, 20___ (the "Franchise Agreement"). This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being signed because (a) any of the franchise offer or sales activity occurred in Illinois, and the Franchised Business that you will operate under the Franchise Agreement will be located in Illinois, and/or (b) you are a resident of Illinois.

2. Special Provisions.

Illinois law governs the Franchise 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 the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum as of the Effective Date of the Franchise Agreement.

[Franchisee Entity Name]	PREMIER FRANCHISE MANAGEMENT LLC
By: _____	By: _____

Printed Name: _____
Title: _____

By: _____
Printed Name: _____
Title: _____

Name: _____
Title: _____

ADDENDUM TO THE PREMIER FRANCHISE MANAGEMENT LLC'S FRANCHISE AGREEMENT FOR USE IN MARYLAND

This Addendum (the "Addendum") is made as of the Effective Date of the Franchise Agreement (defined below) by and between Premier Franchise Management LLC ("we" or "us"), a Nevada limited liability company, having our principal place of business at 1221 Liberty Pike, Franklin, TN 37067, and _____, a [corporation/limited liability company/partnership/individual], having its principal place of business at _____ ("you").

1. Background. We and you are parties to that certain Franchise Agreement dated _____, 20___ (the "Franchise Agreement"). This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being signed because (a) you are a resident of the State of Maryland, and/or (b) your Franchised Business will be located or operated in Maryland.

2. Releases. Sections 3.03(g) and 14.03(h) of the Franchise Agreement are amended by adding the following:

> 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.

3. Termination. Section 15.02(a) of the Franchise Agreement is amended by adding the following:

> Termination upon bankruptcy might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but we intend to enforce this provision to the extent enforceable.

4. Consent to Jurisdiction. Section 17.05 of the Franchise Agreement is amended by adding the following language:

> However, subject to your arbitration obligations, nothing in this Section 17.05 affects your right under the Maryland Franchise Registration and Disclosure Law to bring a lawsuit in Maryland for claims arising under that law.

5. Non-Waiver. The following language is added to the end of Section 17.06 of the Franchise Agreement:

> Such representations are not intended to nor shall they act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

6. Limitation of Claims. The following shall be added as a new Section 17.07 of the Franchise Agreement:

17.07 Limitation of Claims. Any limitation of claims will not act to reduce the three (3)-year statute of limitations afforded you for bringing a claim under the Maryland Franchise Registration and Disclosure Law.

7. Governing Law. The following is added to the end of Section 18.04 of the Franchise Agreement:

Despite anything to the contrary stated above, Maryland law will apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

8. Financial Assurance. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the Franchise Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum as of the Effective Date of the Franchise Agreement.

[Franchisee Entity Name]	PREMIER FRANCHISE MANAGEMENT LLC
By: _____	By: _____
Printed Name: _____	Name: _____
Title: _____	Title: _____
By: _____	
Printed Name: _____	
Title: _____	

ADDENDUM TO THE PREMIER FRANCHISE MANAGEMENT LLC'S FRANCHISE AGREEMENT FOR USE IN MINNESOTA

This Addendum (the "Addendum") is made as of the Effective Date of the Franchise Agreement (defined below) by and between Premier Franchise Management LLC ("we" or "us"), a Nevada limited liability company, having our principal place of business at 1221 Liberty Pike, Franklin, TN 37067, and _____, a [corporation/limited liability company/partnership/individual], having its principal place of business at _____ ("you").

1. Background. We and you are parties to that certain Franchise Agreement dated _____, 20___ (the "Franchise Agreement"). This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being signed because (a) the Franchised Business that you will operate under the Franchise Agreement will be located in Minnesota, and/or (b) any of the franchise offer or sales activity occurred in Minnesota.

2. Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

3. With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

4. 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 Statues, Section 80C.12, Subd. 1(g).

5. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

6. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minnesota Rules 2860.4400J. Also, a court will determine if a bond is required.

7. The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

8. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on 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 with the franchise.

9. NSF checks are governed by Minnesota Statute 604.113, which puts a cap of $30 on service charges.

10. Minnesota Rules 2860.4400(G) prohibits a franchisor from imposing on a franchisee by contract or rule, whether written or oral, any standard of conduct that is unreasonable.

11. Minnesota Rule 2860.4400(K) prohibits a franchisor from requiring a security deposit except for the purpose of securing against damage to property, equipment, inventory, or leaseholds.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum as of the Effective Date of the Franchise Agreement.

[Franchisee Entity Name]	PREMIER FRANCHISE MANAGEMENT LLC
By: _____	By: _____
Printed Name: _____	Name: _____
Title: _____	Title: _____
By: _____	
Printed Name: _____	
Title: _____	

ADDENDUM TO THE PREMIER FRANCHISE MANAGEMENT LLC'S FRANCHISE AGREEMENT FOR USE IN NEW YORK

This Addendum (the "Addendum") is made as of the Effective Date of the Franchise Agreement (defined below) by and between Premier Franchise Management LLC ("we" or "us"), a Nevada limited liability company, having our principal place of business at 1221 Liberty Pike, Franklin, TN 37067, and _____, a [corporation/limited liability company/partnership/individual], having its principal place of business at _____ ("you").

1. Background. We and you are parties to that certain Franchise Agreement dated _____, 20___ (the "Franchise Agreement"). This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being signed because (a) the offer or sale of the franchise for the Franchised Business that you will operate under the Franchise Agreement was made in New York, and/or (b) you are a resident of New York, and the Franchised Business will be located in New York.

2. Releases. Section 3.03(g) and 14.03(h) of the Franchise Agreement are amended by adding the following:

> Provided, however, that to the extent required by Article 33 of the General Business Law of the State of New York, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of the proviso that the non-waiver provisions of GBL 687 and 687.5 be satisfied.

3. Transfer by Us. Section 14.01 is amended by the addition of the following sentence immediately after the first sentence of that section:

> However, no assignment will be made by us except to an assignee who, in our good faith and judgment, is willing and able to assume our obligations under this Agreement.

4. Termination by You. The following is added to the end of Sections 15.07 of the Franchise Agreement:

> You may terminate the Franchise Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

5. Governing Law/Consent to Jurisdiction. Sections 17.05 and 18.04 of the Franchise Agreement are amended by adding the following to each of those sections:

> However, to the extent required by Article 33 of the General Business Law of the State of New York, this Section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the General

Business Law of the State of New York and the regulations issued thereunder.

6. Limitation of Claims. The following is added as a new Section 17.07 of the Franchise Agreement:

> 17.07 Limitation of Claims. To the extent required by Article 33 of the General Business Law of the State of New York, all rights and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this provision that the non-waiver provisions of GBL Sections 687.4 and 687.5 be satisfied.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum as of the Effective Date of the Franchise Agreement.

[Franchisee Entity Name]	PREMIER FRANCHISE MANAGEMENT LLC
By: _____	By: _____
Printed Name: _____	Name: _____
Title: _____	Title: _____
By: _____	
Printed Name: _____	
Title: _____	

ADDENDUM TO THE PREMIER FRANCHISE MANAGEMENT LLC'S FRANCHISE AGREEMENT FOR USE IN NORTH DAKOTA

This Addendum (the "Addendum") is made as of the Effective Date of the Franchise Agreement (defined below) by and between Premier Franchise Management LLC ("we" or "us"), a Nevada limited liability company, having our principal place of business at 1221 Liberty Pike, Franklin, TN 37067, and _____, a [corporation/limited liability company/partnership/individual], having its principal place of business at _____ ("you").

1. Background. We and you are parties to that certain Franchise Agreement dated _____, 20___ (the "Franchise Agreement"). This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being signed because (a) you are a resident of North Dakota, and the Franchised Business that you will operate under the Franchise Agreement will be located or operated in North Dakota and/or (b) any of the franchise offer or sales activity occurred in North Dakota.

2. Releases. The following is added to the end of Sections 3.03(g) and 14.03(h) of the Franchise Agreement:

> Any release executed will not apply to the extent otherwise prohibited by applicable law with respect to claims arising under the North Dakota Franchise Investment Law.

3. Covenant Not to Compete. Section 16.08 of the Franchise Agreement is amended by adding the following:

> Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota. However, you acknowledge and agree that we intend to seek enforcement of these provisions to the extent allowed under the law.

4. Governing Law. The following language is added to the end of Section 18.04 of the Franchise Agreement:

> Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, North Dakota law will apply to this Agreement.

5. Arbitration. The following is added to the end of Section 17.02(f) of the Franchise Agreement:

> Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law (unless such a requirement is preempted by the Federal Arbitration Act), arbitration proceedings will be held at a site to which we and you agree.

6. Consent to Jurisdiction. The following language is added to the end of Section 17.05 of the Franchise Agreement:

However, to the extent required by applicable law, but subject to your arbitration obligations, you may bring an action in North Dakota.

7. Waiver of Jury Trial/Punitive Damages. If, and then only to the extent, required by the North Dakota Franchise Investment Law, the first and last sentences of Section 17.06 of the Franchise Agreement are deleted.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum as of the Effective Date of the Franchise Agreement.

[Franchisee Entity Name]

By: _____
Printed Name: _____
Title: _____

By: _____
Printed Name: _____
Title: _____

PREMIER FRANCHISE MANAGEMENT LLC

By: _____
Name: _____
Title: _____

ADDENDUM TO THE PREMIER FRANCHISE MANAGEMENT LLC'S FRANCHISE AGREEMENT FOR USE IN RHODE ISLAND

This Addendum (the "Addendum") is made as of the Effective Date of the Franchise Agreement (defined below) by and between Premier Franchise Management LLC ("we" or "us"), a Nevada limited liability company, having our principal place of business at 1221 Liberty Pike, Franklin, TN 37067, and _____, a [corporation/limited liability company/partnership/individual], having its principal place of business at _____ ("you").

1. Background. We and you are parties to that certain Franchise Agreement dated _____, 20___ (the "Franchise Agreement"). This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being signed because (a) you are domiciled in Rhode Island, and the Franchised Business that you will operate under the Franchise Agreement will be located in Rhode Island, or (b) any of the franchise offer or sales activity occurred in Rhode Island.

2. Governing Law. The following is added to the end of Section 18.04 of the Franchise Agreement:

> Notwithstanding the foregoing, to the extent required by applicable law, Rhode Island law will apply to claims arising under the Rhode Island Franchise Investment Act.

3. Consent to Jurisdiction. The following language is added to the end of Section 17.05 of the Franchise Agreement:

> Nonetheless, subject to your arbitration obligations, you have the right under the Rhode Island Franchise Investment Act to sue in Rhode Island for claims arising under that law.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum as of the Effective Date of the Franchise Agreement.

[Franchisee Entity Name]	PREMIER FRANCHISE MANAGEMENT LLC
By: _____	By: _____
Printed Name: _____	Name: _____
Title: _____	Title: _____
By: _____	
Printed Name: _____	
Title: _____	

WASHINGTON

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, THE FRANCHISE 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.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum as of the Effective Date of the Franchise Agreement.

[Franchisee Entity Name]	PREMIER FRANCHISE MANAGEMENT LLC
By: _____	By: _____
Printed Name: _____	Name: _____
Title: _____	Title: _____
By: _____	
Printed Name: _____	
Title: _____	

EXHIBIT F
to the Franchise Agreement

FRANCHISEE QUESTIONNAIRE

THIS QUESTIONNAIRE SHALL NOT BE COMPLETED OR SIGNED BY YOU, AND WILL NOT APPLY, IF THE OFFER OR SALE OF THE PREMIER POOLS & SPAS®/PINNACLE POOLS & SPAS® FRANCHISE IS SUBJECT TO THE STATE FRANCHISE DISCLOSURE LAWS IN THE STATES OF CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.

IF THE PREMIER POOLS & SPAS®/PINNACLE POOLS & SPAS® FRANCHISE IS TO BE OPERATED IN, OR YOU ARE A RESIDENT OF, CALIFORNIA OR MARYLAND, DO NOT SIGN THIS QUESTIONNAIRE.

Premier Franchise Management LLC ("Franchisor") and you are preparing to enter into a franchise agreement for the operation of a Premier Pools & Spas® franchise and/or a Pinnacle Pools & Spas® franchise. Franchisor requires that you complete this questionnaire in order to enable Franchisor to confirm that it and its employees and representatives have fully complied with all applicable franchise registration and disclosure laws. Franchisor, through the use of this document, desires to ascertain (a) that the undersigned, individually and as a representative of any legal entity established to acquire the franchise rights, fully understands and comprehends that the purchase of a franchise is a business decision, complete with associated risks, and (b) that you are not relying upon any oral statement, representations, promises or assurances during the negotiations for the purchase of the franchise which have not been authorized by Franchisor.

If you purchased an existing franchised business from another franchisee, you may have received information from the transferring franchisee, who is not an employee or representative of Franchisor. These questions do not apply to any communication you may have had with the transferring franchisee.

Please review each of the following questions carefully and provide honest and complete responses to each question.

1. Franchisee Name and Address:

_____

_____

2. Did you receive a copy of the Franchisor's FDD (and all exhibits and attachments) and did you sign and return a receipt for the FDD indicating the date you received it? Yes [__] No [__]

3. Was the date you received the FDD at least 14 full calendar days before the date you will sign the Franchise Agreement? Yes [__] No [__]

4. Did you receive a copy of the final form of the franchise agreement at least 7 full calendar days before the date you will sign it? Yes [__] No [__]

5. Did you carefully review the FDD, the franchise agreement and each exhibit or schedule attached to them, and the other agreements required to be signed (collectively, "Agreements")? Yes [__] No [__]

6. Do you understand all material terms and your obligations under the Agreements? Yes [__] No [__]

7. Did you discuss or have the opportunity to discuss with an attorney or other knowledgeable advisor all material terms and your obligations under the Agreements? Yes [__] No [__]

8. Do you understand the risks associated with purchasing and operating the franchised business? Yes [__] No [__]

9. Do you understand that the success or failure of the franchised business will depend in large part upon your skills and abilities, competition, interest rates, the economy, inflation, labor and supply costs, lease terms and the marketplace?
Yes [__] No [__]

10. If you answered "No" to any of questions 2 through 9, please provide a full explanation of each "No" answer in the following space (and attach additional pages if necessary):

_____

_____

_____

_____

_____

11. Has any employee or other representative of the Franchisor made any statement or promise concerning:

A. The actual or potential revenues, profits or operating costs of the franchised business, that is contrary to, or different from, the information contained in the FDD?
Yes [__] No [__]
B. The amount of money you may earn in operating the franchised business that is contrary to, or different from, the information contained in the FDD?
Yes [__] No [__]
C. The total amount of revenue the franchised business will or may generate, that is contrary to, or different from, the information contained in the FDD?
Yes [__] No [__]

D. The costs you may incur in operating the franchised business, that is contrary to, or different from, the information contained in the FDD?
Yes [__] No [__]
E. The actual, average or projected profits or earnings or the likelihood of success that you should or might expect to achieve from operating the franchised business?
Yes [__] No [__]

12. Has any employee or other representative of the Franchisor made any statement or promise or agreement, other than those matters addressed in your franchise agreement, concerning advertising, marketing, training, support, service or assistance relating to the franchised business that is contrary to, or different from, the information contained in the FDD or the franchise agreement? Yes [__] No [__]

13. Have you entered into any binding agreement with the Franchisor concerning the purchase of this franchise before today? Yes [__] No [__]

14. Have you paid any money to the Franchisor concerning the purchase of this franchise before today? Yes [__] No [__]

15. If you answered "Yes" to any of part of questions 11 through 14, please provide full details in the following space (and attach additional pages if necessary):

_____
_____
_____
_____
_____
_____

16. Do you understand that the Agreements contain the entire agreement between you and Franchisor concerning the franchise rights and obligations, meaning that any prior representations or statements not included in the Agreements will not be binding (except that Franchisor may not disclaim statements made in the FDD)?
Yes [__] No [__]

17. If you answered "No" to question 16, please provide a full explanation of each "No" answer in the following space (and attach additional pages if necessary):

_____
_____
_____
_____
_____
_____

You understand that your answers are important to us and that we will rely on them in entering into the franchise agreement with you. By signing this questionnaire, you are representing that you have responded truthfully to the above questions.

In addition, by signing this questionnaire, you also acknowledge that:

a. You recognize and understand that business risks, which exist in connection with the purchase of any business, make the success or failure of the franchise subject to many variables, including among other things, your skills and abilities, the hours worked by you, competition, the economy, inflation, franchise location, operation costs, and the marketplace. You hereby acknowledge your awareness of and willingness to undertake these business risks.

b. You agree and state that the decision to enter into this business risk is not predicated upon any oral representation, assurances, warranties, guarantees or promises made by Franchisor or any of its representatives as to the likelihood of success of the franchise.

c. You have not received any information from the Franchisor or any of its representatives concerning actual, projected or forecasted franchise sales, profits or earnings.

FRANCHISEE ACKNOWLEDGES AND AGREES THAT IN THE EVENT THAT ANY DISPUTE ARISES, THIS QUESTIONNAIRE SHALL BE ADMISSIBLE AS EVIDENCE IN ANY LEGAL ACTION OR ARBITRATION PROCEEDING. FRANCHISEE HEREBY WAIVES, TO THE FULLEST EXTENT PERMISSIBLE UNDER THE LAW, ANY OBJECTION TO ADMISSION OF THIS QUESTIONNAIRE. HOWEVER, NOTHING IN THIS DOCUMENT IS INTENDED TO DISCLAIM ANY OF THE REPRESENTATIONS FRANCHISOR MADE IN THE FRANCHISE DISCLOSURE DOCUMENT THAT WAS FURNISHED TO YOU.

NOTE: All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Dated: _____

Franchisee:
Entity name (if any):_____

Signed:_____
Printed name:_____
Title of position (if entity franchisee):_____

EXHIBIT D
to Franchise Disclosure Document

MANUAL TABLE OF CONTENTS

PREMIER POOLS & SPAS®
PINNACLE POOLS & SPAS®
MANUAL TABLE OF CONTENTS

(as of December 31, 2025)

Table of Contents

1 INTRODUCTION TO THE MANUAL 1-1

1.1 Ownership of the Manual 1-1

1.2 Purpose of this Manual 1-1

1.3 Importance of Confidentiality 1-2

1.4 Keeping the Manual Current 1-2

1.5 Submitting Suggestions 1-3

1.6 Disclaimer 1-3

2 INTRODUCTION TO THE FRANCHISE SYSTEM 2-1

2.1 Welcome Letter 2-1

2.2 History of the Company 2-1

2.3 World-Class Culture 2-2

2.3.1 Mission 2-2

2.3.2 Vision 2-3

2.3.3 Core Values 2-3

2.4 Who to Call 2-4

2.5 Overview of Services Provided to Franchisees 2-4

2.5.1 Lease Approval 2-5

2.5.2 Initial Training 2-5

2.5.3 Other Initial Support 2-5

2.5.4 Grand Opening Support 2-6

2.5.5 Ongoing Training and Support 2-6

2.5.6 Approved Suppliers 2-6

2.5.7 Marketing 2-6

2.5.8 Internet 2-6

2.6 Overview of Your Responsibilities 2-6

2.7 Visits from PFM 2-7

3 UNDERSTANDING FRANCHISING 3-1

3.1 Unified Thinking 3-1

3.2 Purpose of Franchising 3-1

3.3 Purpose of a Business 3-2

3.4 Purpose of a Franchise Company 3-2

3.5 Function of Brand 3-2
3.6 Function of the Operating System 3-3
3.7 Importance of Language 3-3
3.7.1 Effect on the Operating System 3-4
3.7.2 Effect on the Brand 3-4
3.7.3 Effect on Field Support 3-4
3.8 Who Owns What? 3-4
3.9 Understanding Fees 3-5
3.9.1 Royalty Fees 3-5
3.10 Customer-Driven Company 3-6
4 PRE-OPENING PROCEDURES 4-1
4.1 Introduction 4-1
4.1.1 Naming Your Entity 4-1
4.1.2 Assumed Name Certificate 4-1
4.2 Site Selection Process Site Selection Criteria 4-2
4.2.1 Seeking Approval of Proposed Sites 4-2
4.2.2 Photographs of the Location 4-3
4.2.3 Lease Considerations 4-4
4.2.4 Seeking Approval of Lease 4-5
4.3 Setting Up Your Facility Building out the Facility 4-5
4.3.1 Required Fixtures, Furnishings, Equipment & Services 4-5
4.3.2 Premier Build/Pool Studio Computer Systems 4-6
4.3.3 Sign Requirements 4-6
4.3.4 List of Approved Suppliers 4-7
4.3.5 Branded Vehicles 4-7
4.4 Licenses, Permits and Taxes Introduction 4-7
4.4.1 Business Licenses and Permits 4-8
4.4.2 Contractor's License 4-8
4.4.3 PHTA Minimal Requirements 4-8
4.4.4 Optional Certifications 4-9
4.4.5 Tax Registrations and Payments 4-9
4.4.6 State Information Web Sites 4-10
4.4.7 Additional Resources 4-10
4.5 Training 4-10
4.5.1 Scheduling Initial Training 4-10
4.5.2 Initial Training Program 4-11
4.5.3 Online Initial Training Program 4-11

4.5.4 Live Initial Training Program....4-12
4.6 Securing Subcontractors or Trade Partners....4-13
4.6.1 Subcontractor Application Form....4-13
4.7 Utilities / Services....4-13
4.8 Start-Up Kit....4-14
4.9 Bank Accounts....4-14
4.9.1 Main Business Account....4-15
4.10 Insurance Coverage....4-15
4.10.1 General Insurance Requirements....4-15
4.10.2 Minimum Coverage Amounts....4-16
4.10.3 Insurance Company Requirements....4-16
4.11 Grand Opening....4-16
4.11.1 Direct Mail....4-16
4.11.2 VIP Invites....4-17
4.11.3 Grand Opening Open House....4-17
4.12 Pre-Opening Checklist....4-18
5 HUMAN RESOURCES....5-1
5.1 Introduction....5-1
5.2 Non-Joint-Employer Status....5-2
5.3 Job Responsibilities & Ideal Employee Profiles....5-2
5.3.1 Job Description/Responsibilities....5-2
5.3.2 Profile of Ideal Employees....5-7
5.4 Recruiting Employees....5-9
5.4.1 Sources of Employee Candidates....5-9
5.4.2 Job Applications Application Form....5-9
5.5 Interviewing Job Applicants Preparing for Interviews....5-10
5.5.1 Conducting Successful Interviews....5-10
5.6 Background Checks on Job Applicants....5-12
5.6.1 General Tips on Background Checks....5-12
5.7 New Employee Paperwork....5-12
5.8 New Employee Orientation....5-12
5.9 New Employee Training....5-13
5.10 Personnel Policies Introduction....5-14
5.10.1 Communicating Work Rules....5-15
5.11 Employee Morale / Motivation....5-16
5.11.1 Introduction....5-16
5.11.2 Factors of Good Morale....5-16
5.11.3 Signs of Bad Morale....5-16

5.11.4 Improving Morale and Motivation 5-16
5.12 Performance Evaluations 5-18
5.12.1 Quarterly Evaluations 5-19
5.13 Employee Discipline 5-20
5.14 Resignation / Termination Resignation 5-21
5.14.1 Termination 5-21
5.14.2 Post-Separation Procedures 5-21
5.15 Getting Legal Help with Employment Law Issues 5-22
6 MARKETING 6-1
6.1 Promoting our Business in Your Area 6-1
6.1.1 Your General Obligations 6-1
6.1.2 Guidelines for Using Marks 6-1
6.1.3 Marketing Standards 6-2
6.2 Logo Specifications 6-3
6.2.1 The Font: Premier Pools & Spas 6-3
6.2.2 The Font: Pinnacle Pools & Spas 6-4
6.2.3 The Colors: Premier Pools & Spas | Pinnacle Pools & Spas 6-4
6.2.4 Premier Pools & Spas Color Palette: 6-4
6.2.5 Pinnacle Pools & Spas Color Palette: 6-5
6.3 Required Marketing Activities 6-5
6.4 Marketing Services Provided by Corporate 6-6
6.4.1 Pay-Per-Click Management 6-6
6.4.2 Brochures 6-7
6.4.3 Email 6-7
6.5 Local Marketing Introduction 6-7
6.5.1 Direct Mail 6-7
6.5.2 Postcards 6-8
6.5.3 Magazines 6-8
6.5.4 Newspapers 6-8
6.5.5 Internet 6-8
6.5.6 Networking 6-8
6.5.7 Home Shows 6-9
6.5.8 Word of Mouth / Customer Referrals 6-11
6.6 Public Relations / Community Involvement 6-12
6.6.1 Press Releases 6-12
6.6.2 Better Business Bureau 6-12
6.6.3 Local Chamber of Commerce 6-13

6.6.4 Yelp 6-13
6.6.5 Team Sponsorships 6-13
6.6.6 Community Service / Charitable Activities 6-13
7 SALES STANDARDS 7-1
7.1 Introduction 7-1
7.2 Lead Tracking 7-1
7.2.1 Enter an Opportunity into Premier Build 7-2
7.2.2 Assigned to Salesperson 7-2
7.2.3 Salesperson Follows Lead Procedures (Tasks) 7-2
7.3 Salesperson Manual 7-3
7.4 The Sales Presentation Book 7-3
7.5 Requirements Elements of a Proposal/Specifications Folder 7-3
7.6 The Importance of Understanding Your Competition 7-4
7.6.1 Competitive Advantages 7-4
7.7 Contracts and Legal Documents 7-5
7.7.1 Introduction 7-5
7.7.2 The Importance of an Agreement 7-5
7.7.3 Completing Contract 7-5
7.7.4 Start and Completion of Work 7-6
7.7.5 Financing / Draw Schedule 7-6
7.7.6 Description of Services and Specifications 7-6
7.7.7 Minimum Deposits 7-8
7.7.8 Modifying the Contract for your State 7-8
7.7.9 Keeping Contract Current 7-8
7.7.10 Convert Lead to Sale in Software 7-8
8 DAILY OPERATING PROCEDURES 8-1
8.1 Introduction 8-1
8.2 Document Repository 8-1
8.2.1 Required Days / Hours of Operation 8-1
8.3 Customer Service Customer Service Philosophy 8-2
8.3.1 Weekly Meeting 8-4
8.3.2 Construction Meeting 8-5
8.3.3 Sales Meeting Topics 8-9
8.4 Opening / Closing Checklists 8-9
8.4.1 Opening Checklist 8-9
8.4.2 Closing Checklist 8-9
8.5 Premier Build Overview 8-9

8.5.1 Lead Tracking 8-10
8.5.2 Sales Management 8-10
8.5.3 Project Management 8-10
8.5.4 Automatic Communication 8-10
8.5.5 Accounting Interface 8-10
8.6 Job Costing 8-11
8.7 Plans / Permits 8-11
8.7.1 Approval / Engineering Process 8-11
8.7.2 Submit Plans to All Relevant Permitting Jurisdictions 8-12
8.7.3 Call Underground 8-12
8.8 Pre-Site / Excavation Pre-Site Checklist 8-13
8.8.1 Excavation Checklist 8-14
8.8.2 Scan checklists into Premier Build 8-14
8.9 Pool Material Variations 8-14
8.9.1 Gunite/Shotcrete Swimming Pools (Concrete) 8-14
8.9.2 Fiberglass Swimming Pools 8-14
8.9.3 Vinyl Swimming Pools 8-15
8.10 Gunite / Shotcrete Plumbing / Electrical Check List 8-15
8.10.1 Steel 8-15
8.10.2 Pre-Gunite Checklist 8-16
8.10.3 Gunite / Shotcrete 8-16
8.10.4 Tile / Masonry 8-16
8.10.5 Plaster / Interior Finish 8-16
8.11 Vinyl 8-16
8.11.1 Plumbing / Electrical Checklist 8-16
8.11.2 Walls 8-17
8.11.3 Vermiculite 8-17
8.11.4 Liner 8-17
8.11.5 Water 8-17
8.12 Fiberglass 8-17
8.12.1 Plumbing / Electrical Check List 8-17
8.12.2 Excavation 8-18
8.12.3 Set Shell 8-18
8.12.4 Backfill 8-18
8.13 Decking 8-19
8.13.1 Pre-Deck Checklist 8-19

8.14 Interior Finish 8-19
8.14.1 Interior Finish Agreement 8-19
8.14.2 Pre-Interior Cleanup 8-20
8.14.3 Pre-Interior Finish Inspection 8-20
8.15 Equipment Installation 8-20
8.16 Startup / Orientation 8-20
8.17 Punchlist / Report Cards / Referral Coupon 8-20
8.18 Pool Service 8-21
8.18.1 Vehicle Cleaning & Maintenance 8-21
8.18.2 Weekly Inspection & Maintenance 8-21
8.18.3 Vehicle Maintenance Tips 8-22
8.18.4 Vehicle Cleanliness 8-23
8.18.5 Vehicle Preventative Maintenance Schedule 8-23
8.18.6 Shop Cleaning and Maintenance 8-24
8.19 Franchise Fees and Reporting Requirements 8-24
8.19.1 Royalty Payment 8-24
8.19.2 Required Reports 8-24
8.19.3 Financial Statements 8-25
8.20 Safety Procedures 8-25
8.20.1 Reporting Accidents 8-25
8.20.2 Driver Safety 8-26
8.20.3 Worker's Compensation Issues 8-26
9 ADDITIONAL RESOURCES 9-1
9.1 Web Sites For Small Businesses 9-1
9.2 Web Sites For Organizations 9-1
9.3 Web Sites For Employment Laws 9-1
9.4 Web Site For Tax Information 9-2

EXHIBIT E
to Franchise Disclosure Document

FINANCIAL STATEMENTS

PREMIER FRANCHISE MANAGEMENT, LLC

Financial Statements

December 31, 2025 and 2024

(With Independent Auditors' Report Thereon)

PREMIER FRANCHISE MANAGEMENT, LLC

Table of Contents

	Page
Independent Auditors' Report	1 - 2
Financial Statements:	
Balance Sheets	3
Statements of Operations and Member's Equity	4
Statements of Cash Flows	5
Notes to the Financial Statements	6 - 12



INDEPENDENT AUDITORS' REPORT

The Board of Managers
Premier Franchise Management, LLC

Opinion

We have audited the accompanying financial statements of Premier Franchise Management, LLC (the "Company"), which comprise the balance sheet as of December 31, 2025, and the related statements of operations and member's equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the 2025 financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025, 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 Auditors' responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of Premier Franchise Management, LLC as of December 31, 2024 were audited by other auditors whose report dated March 28, 2025 expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

LBMC, PC

Brentwood, Tennessee
March 31, 2026

PREMIER FRANCHISE MANAGEMENT, LLC

Balance Sheets

December 31, 2025 and 2024

Assets

	2025	2024
Current assets:		
Accounts receivable, net of provision for credit losses of $573,576 and $365,244 at December 31, 2025 and 2024, respectively	$ 2,264,329	$ 2,046,550
Notes receivable	175,750	88,500
Advances to affiliate (Note 4)	45,501,843	32,084,515
Prepaid expenses and other current assets	445,402	34,497
Total current assets	48,387,324	34,254,062
Operating lease right-of-use asset	2,814,413	28,058
Intangible assets	364,907	364,907
Total assets	$ 51,566,644	$ 34,647,027

Liabilities and Member's Equity

Current liabilities:		
Current portion of operating lease liability	$ 146,626	$ 28,152
Deferred revenue, current portion	219,984	63,591
Premier points liability	717,745	921,721
Total current liabilities	1,084,355	1,013,464
Operating lease liability, excluding current portion	2,667,881	-
Deferred revenue, excluding current portion	1,311,982	483,350
Total liabilities	5,064,218	1,496,814
Member's equity	46,502,426	33,150,213
Total liabilities and member's equity	$ 51,566,644	$ 34,647,027

See accompanying notes to the financial statements.

PREMIER FRANCHISE MANAGEMENT, LLC

Statements of Operations and Member's Equity

Years Ended December 31, 2025 and 2024

	2025	2024
Net revenues:		
Royalty revenue and franchise fees	$ 14,130,990	$ 13,394,882
Marketing franchise fees	2,111,017	1,957,101
Management and operator fees	312,891	311,611
Total net revenues	16,554,898	15,663,594
Operating expenses	3,602,685	2,967,330
Operating income	12,952,213	12,696,264
Other income:		
Financing fee commissions	400,000	405,578
Net income	13,352,213	13,101,842
Member's equity at beginning of year	33,150,213	20,048,371
Member's equity at end of year	$ 46,502,426	$ 33,150,213

See accompanying notes to the financial statements.

PREMIER FRANCHISE MANAGEMENT, LLC

Statements of Cash Flows

Years Ended December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Net income	$ 13,352,213	$ 13,101,842
Adjustments to reconcile net income to cash flows provided (used) by operating activities:		
Credit loss expense	354,960	247,749
Noncash lease expense	156,813	195,685
(Increase) decrease in operating assets:		
Accounts receivable	(572,739)	315,740
Advances to affiliate (Note 4)	(13,417,328)	(13,217,007)
Prepaid expenses and other current assets	(410,905)	21,232
Increase (decrease) in operating liabilities:		
Accounts payable	-	(213,096)
Accrued expenses	-	(206,337)
Accrued premier points	(203,976)	(158,776)
Due to related parties	-	(129,880)
Deferred revenue	985,025	87,607
Change in operating lease liabilities	(156,813)	(200,463)
Total adjustments	(13,264,963)	(13,257,546)
Net cash provided (used) by operating activities	87,250	(155,704)
Cash flows from investing activities:		
Cash paid for intangible assets	-	(5,125)
Advances of notes receivable	(95,500)	-
Repayments of notes receivable	8,250	98,689
Net cash provided (used) by investing activities	(87,250)	93,564
Change in cash	-	(62,140)
Cash at beginning of year	-	62,140
Cash at end of year	$ -	$ -

See accompanying notes to the financial statements.

PREMIER FRANCHISE MANAGEMENT, LLC

Notes to the Financial Statements

December 31, 2025 and 2024

(1) Nature of operations

Premier Franchise Management, LLC ("PFM" or the "Company"), a Nevada limited liability company and wholly owned subsidiary of Premier Holdco, LLC, offers franchises for Premier Pools & Spas© ("Premier Pools") or to various entities (the "Franchisees"), which markets, sells, supervises, and services the construction and remodeling of swimming pools and spas and related items principally to homeowners. PFM offers franchises throughout the United States of America and provides trademarks, service marks, and a system that includes operational and marketing policies, procedures, and programs, as well as training to its franchisees.

The Company is part of a group of companies affiliated by common ownership. The operating results of the Company could vary significantly from those that would have occurred had the Company operated independently.

As of December 31, 2025 and 2024, the Company has 131 and 126 open franchises, respectively.

(2) Summary of significant accounting policies

(a) Basis of accounting

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

(b) Accounts receivable and credit policies

Accounts receivable represent amounts due from franchisees and customers in the ordinary course of business that are recorded at the invoiced amount and do not bear interest. Accounts receivable are stated at the net amount expected to be collected using an expected credit loss methodology to determine the provision for expected credit losses. The Company evaluates the collectibility of its accounts receivable and determines the appropriate allowance for expected credit losses based on a combination of factors, including the aging of the receivables, historical collection trends, management's knowledge of its franchisees and customers, adjustments for current economic conditions, reasonable and supportable forecasts, and any other factors deemed relevant to the Company. Accounts receivable, net of provision for credit losses of $1,625,529, totaled $2,587,400 as of January 1, 2024.

(c) Notes receivable

PFM permits certain franchisees to pay the initial franchise fees in installments. These arrangements were evidenced by promissory notes. Payments from PFM franchisees are based on the amount of revenue earned from pool excavations. The notes receivable do not bear interest and are generally due within 12 months.

(d) Revenue recognition

The Company's revenue from operations mainly consists of franchise fees, royalties, and marketing fees. The Company sells individual franchisees the right to operate a Premier Pools location within a defined territory using the franchise name. The initial term of franchise agreements is typically 10 years, with an option to renew for a fee or transfer the franchise agreement to a new or existing franchisee, at which point a transfer fee is typically paid.

The Company has obligations to provide franchisees with the franchise rights to operate a Premier Pools location, training, and other services necessary for the franchisee to commence operations. The Company adopted Accounting Standards Update No. 2021-02, *Franchisors - Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient*. As a result, the Company concluded that management training is one performance obligation related to pre-opening services due to the nature of these services. The remaining items represent a single performance obligation. Therefore, initial franchise fees for each agreement are allocated to the pre-opening services and franchise right for each individual franchise. The pre-opening services revenue is recognized at the time the franchisee completes training (i.e., when the performance obligation has been settled). The franchise fee revenue is recognized over the term of the respective franchise agreement beginning on the date the location is opened. Deferred revenue totaled $459,334 as of January 1, 2024.

Revenue recognized at a point in time totaled $16,348,834 and $15,500,061 during 2025 and 2024, respectively. Revenue recognized over time during 2025 and 2024 totaled $206,064 and $163,533, respectively.

The Company allocates consideration to the management training services based on the observable stand-alone selling price for the stand-alone service.

Transfer fees and renewal fees are recognized over the term of the new franchise agreement. Income for royalties and marketing fees is recognized over the term of the respective franchise agreement as the underlying sales occur. Revenue on the statements of operations has been disaggregated accordingly.

The Company's franchise agreements require the payment of various fixed and variable fees. Initial franchise, transfer, and renewal fees are typically paid when a franchise agreement is executed and are non-refundable. These fees are collected prior to the satisfaction of the Company's performance obligation, resulting in the Company recognizing deferred revenue contract liabilities.

Royalties and marketing fees are paid on a monthly basis. Royalty revenue is based upon a percentage of gross revenue of the franchisee for the first 24 months of operations. Beginning on the 25th month of operations, the royalty fee is based on the franchisee's contract amount with its customer and is recognized in the period when the contract is signed and the installation begins. The contract amount is the amount that the franchisee's customer agrees to pay the franchisee for the specified job. Marketing fees are based on a percentage of franchisee gross revenue.

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for providing franchisees the franchise rights to open and operate a Premier Pools location. To determine the transaction price, the Company considers its customary business practices and the terms of the underlying agreement. For the purpose of determining transaction prices, the Company assumes performance obligations will be satisfied as promised in accordance with franchise agreements and that the agreements will not be canceled or modified.

The Company's franchise agreements with franchisees have transaction prices that contain a fixed and variable component. Variable consideration includes revenue related to royalties and marketing fees, as the transaction price is based on franchisee revenue. The variable consideration is recognized based on the actual amounts earned each month.

(e) Intangible assets

Acquired intangible assets are stated at cost. During 2017, PFM was granted an exclusive license to use the Premier Pools trade name and trademark in the Dallas-Forth Worth, Texas area. The license is irrevocable, and the term of the license is perpetual once all the obligations under the license agreement are met. Because the useful life of the license agreement is indefinite, it is not subject to amortization; however, this exclusive license is subject to a periodic evaluation for impairment. There was no impairment at December 31, 2025 and 2024.

(f) Leases

The Company determines whether an arrangement is or contains a lease at lease inception. On the commencement date, operating and finance leases are recorded on the balance sheets through recognition of a liability for the discounted present value of future fixed lease payments and a corresponding right-of-use ("ROU") asset. The ROU asset recorded at commencement of the lease represents the right to use the underlying asset over the lease term in exchange for the lease payments. Leases with an initial term of 12 months or less that do not have an option to purchase the underlying asset that is deemed reasonably certain to be exercised are not recorded on the balance sheet; rather, rent expense for these leases is recognized on a straight-line basis over the lease term, or when incurred if a month-to-month lease. The Company uses the risk-free discount rate to determine the present value of future lease payments.

(g) Premier points liability

PFM has established a franchisee incentive program in which the franchisees earn "Premier Points" based on the amount of royalty fees paid and the points can be redeemed for travel to an annual franchise conference sponsored by the Company. The cash value of the points earned is approximately 10 percent of the royalty fee paid. The Company allocates a portion of the royalty revenue to the Premier Points franchise incentive program, which is deferred on the balance sheet until such time the franchisee redeems the points or they are forfeited.

At the time the franchisee redeems the points, the deferred revenue portion is recognized as royalty revenue on the statements of operations. Management permits a certain maximum amount of points to be rolled over annually on August 31st and any points forfeited is recognized as royalty revenue on the statements of operations. The program is discretionary in nature and management reserves the right to modify or discontinue the program in their sole discretion. The premier points liability balance was $1,080,497 at January 1, 2024.

(h) Marketing expenses

In accordance with the franchise agreement, franchisees pay a percentage of monthly sales to a marketing fund to be used for advertising, marketing, and other promotional purposes to benefit the entire franchise system. Any excess amounts remaining in the marketing fund at the end of the year are used for marketing and promotion in the following year.

Marketing fees from the franchisees of $2,111,017 and $1,957,101 at December 31, 2025 and 2024, respectively, are included in marketing franchise fees in the statements of operations. Marketing expense of $2,128,572 and $2,070,020 are included in operating expenses in the statements of operations for the years ended December 31, 2025 and 2024, respectively.

(i) Income taxes

The Company is treated as a partnership for federal income tax purposes. Consequently, federal income taxes are not payable or provided for by the Company. The member is taxed individually on its pro rata ownership share of the Company's earnings. The Company's net income or loss is allocated to the member in accordance with the Company's operating agreement.

(j) Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(k) Financing fee commissions

The Company receives financing fee commissions from a financing company that provides financing to customers of franchisees. These funds are recognized as revenue when earned and included in other income in the statements of operations.

(l) Warranty expenses

PFM does not provide a warranty for any goods or services provided by its franchisees.

(m) Reclassifications

A reclassification has been made to the 2024 financial statements in order for them to conform to the 2025 presentation. This reclassification resulted in the removal of a note receivable through the Company's advances to affiliates account as of December 31, 2024. This reclassification had no effect on net income or member's equity as previously reported.

(n) Events occurring after reporting date

The Company has evaluated events and transactions that occurred between December 31, 2025 and March 31, 2026, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

(3) Accounts receivable

A summary of accounts receivable as of December 31, 2025 and 2024, is as follows:

	2025	2024
Trade accounts receivable	$ 1,876,775	$ 1,372,488
Accrued receivables - plans	21,018	24,842
Accrued receivables - royalties	819,193	885,964
Accrued receivables - marketing	120,919	128,500
	2,837,905	2,411,794
Less provision for credit losses	573,576	365,244
	$ 2,264,329	$ 2,046,550

The activity in the provision for credit losses is as follows:

	2025	2024
Balance - January 1	$ 365,244	$ 1,625,529
Provision within operating expenses	312,425	247,749
Deductions/write-offs	(104,093)	(1,508,034)
Balance - December 31	$ 573,576	$ 365,244

(4) Related party transactions

Revenue

For the years ended December 31, 2025 and 2024, the Company recognized royalty income from a company related through common ownership totaling $3,040,515 and $2,889,759, respectively. Sales to this company amounted to approximately 17% and 18% of the Company's revenues in 2025 and 2024, respectively. At December 31, 2025, the Company had accounts receivable from the same company totaling $31,300. The Company did not have any outstanding accounts receivable from this company at December 31, 2024.

Treasury management

During 2025 and 2024, the Company has a treasury management function in place with Premier Holdco, LLC and related subsidiaries, all of which are under common control. Premier Holdco, LLC manages cash disbursement and receipt functions and general coordination with oversight of bank activities. As of December 31, 2025 and 2024, $45,501,843 and $32,084,515, respectively, of cash was under management with Premier Holdco, LLC, which is presented as advances to affiliate on the accompanying balance sheets. As of January 1, 2024, $18,400,537 was under cash management with Premier Holdco, LLC.

(5) Litigation

The Company has been named a party to a number of lawsuits along with certain former franchisees related to potential nonperformance by the former franchisee to the customer. These lawsuits are in the normal course of business and management believes the former franchisees are legally responsible for any potential damages. In the opinion of management, the resolution of these lawsuits will not have a material adverse effect on the Company's financial position or results of operations.

(6) Lease commitments

During February 2025, the Company entered into an operating lease agreement for the use of office space in Franklin, Tennessee. The agreement requires the Company to pay maintenance, repairs, property taxes and insurance costs, which are variable amounts based on actual costs incurred during each applicable period. Variable lease costs also include escalating rent payments that are not fixed at commencement but are based on an index that is determined in future periods over the lease term based on changes in the Consumer Price Index or other measure of cost inflation. The leases include an option to renew the lease at the end of the initial term, with renewal terms that generally extend the lease at the then market rate of rental payment. All such options are at the Company's discretion and are evaluated at the commencement of the lease, with only those that are reasonably certain of exercise included in determining the appropriate lease term. The lease term expires on January 2035 but management expects to renew the lease term for an additional five years as defined in the lease agreement. During 2024, a lease in Roseville, California for office space expired and was not renewed.

The components of lease expense are as follows for the years ended December 31, 2025 and 2024:

	2025	2024
Operating lease cost:		
Operating lease cost	$ 247,500	$ 142,293
Short-term lease cost	75,004	-
Total operating lease cost	$ 322,504	$ 142,293

Cash paid for amounts included in the measurement of lease liabilities was $322,504 and $142,293 for the years ended December 31, 2025 and 2024, respectively.

For the year ended December 31, 2025, the weighted-average lease term and discount rate, other than short-term leases, are 14.09 years and 4.49%, respectively.

Future maturities of lease liabilities are presented in the following table:

Year	Amount
2026	$ 270,000
2027	270,000
2028	270,000
2029	270,000
2030	270,000
2031 and later years	2,452,500
Total lease payments	3,802,500
Less: imputed interest	987,993
Total operating lease liability	2,814,507
Less: current portion of lease liability	146,626
Operating lease liability, excluding current portion	$ 2,667,881

(7) Supplemental disclosures of cash flow statement information

During 2025, the Company entered into a new operating lease agreement which resulted in an increase of $2,943,168 to the operating right-of-use assets and operating lease liabilities as recognized under ASC 842, *Leases*. The Company did not enter into any new operating lease agreements during 2024.

During 2024, initial franchise fees of $112,500 were exchanged for a note receivable. During 2025, there were no initial franchise fees that were exchanged for a note receivable.

Premier Franchise Management, LLC

Financial Report
December 31, 2024

Premier Franchise Management, LLC

Contents

Independent Auditor's Report	1-2
Financial Statements	
Balance Sheet	3
Statement of Operations	4
Statement of Member's Equity	5
Statement of Cash Flows	6
Notes to Financial Statements	7-12

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Independent Auditor's Report

To the Board of Directors
Premier Franchise Management, LLC

Opinion

We have audited the financial statements of Premier Franchise Management, LLC (the "Company"), which comprise the balance sheet as of December 31, 2024 and 2023 and the related statements of operations, member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audits of the Financial Statements

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

To the Board of Directors
Premier Franchise Management, LLC

In performing audits in accordance with GAAS, we:

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

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

Plante & Moran, PLLC

March 28, 2025

Premier Franchise Management, LLC

Balance Sheet

December 31, 2024 and 2023

	2024	2023
Assets		
Current Assets		
Cash and cash equivalents	$ -	$ 62,140
Accounts receivable - Net	2,021,708	2,587,400
Loans and notes receivable - Current portion	283,315	187,189
Loans and advances to affiliates	31,617,544	18,400,537
Prepaid expenses and other current assets	69,121	88,150
Total current assets	33,991,688	21,325,416
Operating Lease Right-of-use Assets - Net (Note 5)	28,058	223,743
Intangible Assets	355,125	350,000
Other Assets - Loans and notes receivable - Net of current portion	272,156	466,971
Total assets	**$ 34,647,027**	**$ 22,366,130**
Liabilities and Member's Equity		
Current Liabilities		
Accounts payable	$ -	$ 213,096
Current portion of operating lease liabilities (Note 5)	28,152	200,254
Affiliate payable (Note 4)	-	129,880
Deferred revenue - Current portion	63,591	171,713
Due to franchisees	-	206,337
Premier Points liability	921,721	1,080,497
Total current liabilities	1,013,464	2,001,777
Operating Lease Liabilities - Net of current portion (Note 5)	-	28,361
Other Long-term Liabilities - Deferred revenue - Net of current portion	483,350	287,621
Total liabilities	1,496,814	2,317,759
Member's Equity	33,150,213	20,048,371
Total liabilities and member's equity	**$ 34,647,027**	**$ 22,366,130**

See notes to financial statements.

Premier Franchise Management, LLC

Statement of Operations

Years Ended December 31, 2024 and 2023

	2024	2023
Net Revenue		
Royalty revenue	$ 12,853,411	$ 14,691,006
Franchise fees	541,471	173,123
Marketing franchise fees	1,957,101	3,465,682
Management and operator fees	311,611	322,957
Total net revenue	15,663,594	18,652,768
Operating Expenses	2,967,330	6,067,397
Operating Income	12,696,264	12,585,371
Nonoperating Income - Financing fee commissions	405,578	582,429
Net Income	**$ 13,101,842**	**$ 13,167,800**

See notes to financial statements.

Premier Franchise Management, LLC

Statement of Member's Equity

Years Ended December 31, 2024 and 2023

Balance - January 1, 2023	$ 3,884,665
Net income	13,167,800
Contributions	20,662,906
Distributions	(17,667,000)
Balance - December 31, 2023	20,048,371
Net income	13,101,842
Balance - December 31, 2024	**$ 33,150,213**

See notes to financial statements.

Premier Franchise Management, LLC

Statement of Cash Flows

Years Ended December 31, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Net income	$ 13,101,842	$ 13,167,800
Adjustments to reconcile net income to net cash and cash equivalents from operating activities:		
Credit loss expense	247,749	1,292,401
Noncash lease amortization	195,685	(923)
Changes in operating assets and liabilities that provided (used) cash and cash equivalents:		
Accounts receivable	315,740	(1,162,417)
Loans and advances to affiliates	(13,217,007)	(18,400,537)
Prepaid assets	21,232	(72,348)
Accounts payable	(213,096)	213,096
Accrued expenses	(206,337)	(247,262)
Accrued Premier Points	(158,776)	(496,944)
Due (from) to related parties	(129,880)	10,102
Deferred revenue	87,607	459,334
Lease liability	(200,463)	-
Net cash and cash equivalents used in operating activities	(155,704)	(5,237,698)
Cash Flows from Investing Activities		
Cash paid for intangible assets	(5,125)	-
Principal collections on loan receivable	98,689	334,861
Net cash and cash equivalents provided by investing activities	93,564	334,861
Cash Flows from Financing Activities		
Contributions	-	20,662,906
Distributions	-	(17,667,000)
Net cash and cash equivalents provided by financing activities	-	2,995,906
Net Decrease in Cash and Cash Equivalents	(62,140)	(1,906,931)
Cash and Cash Equivalents - Beginning of year	62,140	1,969,071
Cash and Cash Equivalents - End of year	**$ -**	**$ 62,140**
Significant Noncash Transactions - Initial franchise fees exchanged for note receivable	$ 112,500	$ -

See notes to financial statements.

Note 1 - Nature of Business

Premier Franchise Management, LLC (PFM or the "Company"), a Nevada limited liability company and wholly owned subsidiary of Premier Holdco, LLC, offers franchises for Premier Pools & Spas® (Premier Pools) or Pinnacle Pools & Spas® (the "Franchisee"), which markets, sells, supervises, and services the construction and remodeling of swimming pools and spas and related items principally to homeowners. PFM offers franchises throughout the United States of America and provides trademarks, service marks, and a system that includes operational and marketing policies, procedures, and programs, as well as training to its franchisees. PFM, formerly Premier Franchise Management Corp., was formed as a Nevada corporation on August 26, 2014 and converted to a limited liability company on October 29, 2020.

The Company is part of a group of companies affiliated by common ownership. The operating results of the Company could vary significantly from those that would have occurred had the Company operated independently.

As of December 31, 2024 and 2023, the Company has 126 and 127 open franchises.

Note 2 - Significant Accounting Policies

Basis of Accounting

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

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and money market funds. The Company considers highly liquid investments with original maturities of three months or less at the date of purchase to be cash equivalents.

Accounts Receivable

Accounts receivable represent amounts due from franchisees and customers in the ordinary course of business that are recorded at the invoiced amount and do not bear interest. Accounts receivable are stated at the net amount expected to be collected using an expected credit loss methodology to determine the allowance for expected credit losses. The Company evaluates the collectibility of its accounts receivable and determines the appropriate allowance for expected credit losses based on a combination of factors, including the aging of the receivables, historical collection trends, and charge-offs, and includes adjustments for current economic conditions and reasonable and supportable forecasts. When the Company is aware of a franchisee or customer's inability to meet its financial obligation, the Company may individually evaluate the related receivable to determine the allowance for expected credit losses. The Company uses specific criteria to determine uncollectible receivables to be charged off, including the length that accounts remain past due. The allowance for expected credit losses on accounts receivable balances was $365,244 and $1,625,529 as of December 31, 2024 and 2023, respectively.

Revenue Recognition

The Company's revenue from operations mainly consists of franchise fees, royalties, and marketing fees. The Company sells individual franchisees the right to operate a Premier Pools location within a defined territory using the franchise name. The initial term of franchise agreements is typically 10 years, with an option to renew for a fee or transfer the franchise agreement to a new or existing franchisee, at which point a transfer fee is typically paid.

Note 2 - Significant Accounting Policies (Continued)

The Company has obligations to provide franchisees with the franchise rights to operate a Premier Pools location, training, and other services necessary for the franchisee to commence operations. The Company adopted Accounting Standards Update No. 2021-02, *Franchisors - Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient*. As a result, the Company concluded that management training is one performance obligation related to preopening services due to the nature of these services. The remaining items represent a single performance obligation. Therefore, initial franchise fees for each agreement are allocated to the preopening services and franchise right for each individual franchise. The preopening services revenue is recognized at the time the franchisee completes training (i.e., when the performance obligation has been settled). The franchise right revenue is recognized over the term of the respective franchise agreement beginning on the date the location is opened. Typically, the initial franchise fee is less than the stand-alone selling price of the preopening services provided. Therefore, the initial fee is fully recognized by the time the franchise opens. Transfer fees and renewal fees are recognized over the term of the new franchise agreement. Income for royalties and marketing fees is recognized over the term of the respective franchise agreement as the underlying sales occur. Revenue on the statement of operations has been disaggregated accordingly.

The Company's franchise agreements require the payment of various fixed and variable fees. Initial franchise, transfer, and renewal fees are typically paid when a franchise agreement is executed and are nonrefundable. These fees are collected prior to the satisfaction of the Company's performance obligation, resulting in the Company recognizing deferred revenue contract liabilities. Royalties and marketing fees are paid on a monthly basis. Royalty revenue is based upon a percentage of gross revenue of the franchisee for the first 24 months of operations. Beginning on the 25th month of operations, the royalty fee is based on the franchisee's contract amount with its customer and is recognized in the period when the contract is signed and the installation begins. The contract amount is the amount that the franchisee's customer agrees to pay the franchisee for the specified job. Marketing fees are based on a percentage of gross revenue. Accounts receivable net of allowance at December 31, 2024 and 2023 were $2,021,708 and $2,587,400, respectively. Accounts receivable at January 1, 2023 were $2,715,181. Deferred revenue at December 31, 2024 and 2023 was $546,941 and $459,334, respectively. There were no deferred revenue balances at January 1, 2023.

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for providing franchisees the franchise rights to open and operate a Premier Pools location. To determine the transaction price, the Company considers its customary business practices and the terms of the underlying agreement. For the purpose of determining transaction prices, the Company assumes performance obligations will be satisfied as promised in accordance with franchise agreements and that the agreements will not be canceled or modified.

The Company's franchise agreements with franchisees have transaction prices that contain a fixed and variable component. Variable consideration includes revenue related to royalties and marketing fees, as the transaction price is based on franchisee revenue. The variable consideration is recognized based on the actual amounts earned each month.

The Company allocates consideration to the management training services based on the observable stand-alone selling price for the standalone service or based on the observable stand-alone selling price of third-party service providers for similar services.

Note 2 - Significant Accounting Policies (Continued)

Franchisee Incentives

PFM has established a franchisee incentive program in which the franchisees earn "Premier Points" based on the amount of royalty fees paid and purchases of certain products. The franchisees are awarded points based on these activities and the points can be redeemed for travel to franchise conferences sponsored by the Company. The cash value of the points earned is approximately 10 percent of either the royalty fee paid or purchases made with a specific supplier. The Company allocates a portion of the royalty revenue to the Premier Points franchise incentive program, which is deferred on the balance sheet until such time the franchisee redeems the points. At the time the franchisee redeems the points, the deferred revenue portion is recognized as royalty revenue on the statement of operations. The program is discretionary in nature and management reserves the right to modify or discontinue the program in their sole discretion. At December 31, 2024 and 2023, the balance is $921,721 and $1,080,497, respectively, and is included in current liabilities on the balance sheet. At January 1, 2023, the balance was $1,548,122.

Notes Receivable

PFM permits certain franchisees to pay the initial franchise fees in installments. These arrangements were evidenced by promissory notes. Payments from PFM franchisees are based on the amount of revenue earned from pool excavations, and interest charged on the outstanding balance ranges from 0 to 10 percent. The amounts due from the franchisees under these arrangements at December 31, 2024 and 2023 were $88,500 and $0, respectively.

Loan Receivable

PFM enters into additional arrangements with certain franchisees based on historical operations at its sole discretion. These arrangements were evidenced by promissory notes. Loans receivable are reported at original issue amount plus accrued interest, less principal repaid. Interest is recognized according to terms of the specific notes. An allowance for credit losses on loans receivable is determined based on a combination of factors, including the aging of the receivables, historical collection trends, and charge-offs, and includes adjustments for current economic conditions and reasonable and supportable forecasts. All amounts deemed to be uncollectible are charged against the allowance for credit losses in the period that determination is made. The Company has determined the allowance for credit losses on loans receivable to be insignificant at December 31, 2024 and 2023.

On April 28, 2022, PFM entered into a loan agreement in the amount of $950,000 with a new franchise owner to purchase the franchise from the previous owners. The loan term is five years, and the payments are due to PFM on the 28th of each month. Interest is charged at an annual rate of 4 percent. The amount due from the debtor under this agreement at December 31, 2024 and 2023 was $466,971 and $654,160, respectively.

Intangible Assets

Acquired intangible assets are stated at cost. All of the intangible assets recorded are not subject to amortization but are tested for impairment at least annually.

On June 2, 2017, PFM was granted an exclusive license to use the Premier Pools trade name and trademark in the Dallas-Forth Worth, Texas area. PFM paid $350,000 in consideration for the license. PFM made annual payments of $50,000 per year payable on the anniversary date of the agreement for the next four years and, thereafter, payments of $10,000 per year for 10 years. The license is irrevocable, and the term of the license is perpetual once all the obligations under the license agreement are met. Because the useful life of the license agreement is indefinite, it is not subject to amortization; however, this exclusive license is subject to a periodic evaluation for impairment. There was no impairment at December 31, 2024 and 2023.

Note 2 - Significant Accounting Policies (Continued)

Leases

The Company has operating leases for office space. The Company recognizes expense for operating leases on a straight-line basis over the lease term. The Company made a policy election not to separate lease and nonlease components. Therefore, all payments are included in the calculation of the right-of-use asset and lease liability.

Marketing Expenses

In accordance with the franchise agreement, franchisees pay a percentage of monthly sales to a marketing fund to be used for advertising, marketing, and other promotional purposes to benefit the entire franchise system. Any excess amounts remaining in the marketing fund at the end of the year are used for marketing and promotion in the following year.

Marketing fund fees from the franchisees of $1,957,101 and $2,271,264 at December 31, 2024 and 2023, respectively, are included in marketing franchise fees in the statement of operations. Marketing expense of $2,070,020 and $1,781,516 is included in operating expenses for the years ended December 31, 2024 and 2023, respectively.

Income Taxes

The Company is treated as a partnership for federal income tax purposes. Consequently, federal income taxes are not payable or provided for by the Company. The member is taxed individually on its pro rata ownership share of the Company's earnings. The Company's net income or loss is allocated to the member in accordance with the Company's operating agreement.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Financing Fee Commissions

The Company receives financing fee commissions from a financing company that provides financing to customers of franchisees. These funds are recognized as revenue when earned and included in nonoperating income in the statement of operations.

Warranty Expenses

PFM does not provide a warranty for any goods or services provided by its franchisees. There were no warranty expenses for the years ended December 31, 2024 and 2023.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including March 28, 2025, which is the date the financial statements were available to be issued.

Note 3 - Allowance for Credit Losses

The activity in the allowance for credit losses is as follows:

	2024	2023
Balance - January 1	$ 1,625,529	$ 1,000,604
Provision within operating expenses	247,749	1,292,401
Deductions/Write-offs	(1,508,034)	(667,476)
Balance - December 31	$ 365,244	$ 1,625,529

Note 4 - Related Party Transactions

Revenue

For the years ended December 31, 2024 and 2023, the Company recognized royalty income from a company related through common ownership totaling $2,889,759 and $3,449,665, respectively. At December 31, 2024 and 2023, the Company had accounts receivable from the same company totaling $169,470 and $526,010, respectively.

Treasury Management

During 2024 and 2023, the Company has a treasury management function in place with Premier Holdco, LLC and related subsidiaries, all of which are under common control. Premier Holdco, LLC manages cash disbursement and receipt functions and general coordination with oversight of bank activities. As of December 31, 2024 and 2023, $31,617,544 and $18,400,537, respectively, of cash was under management with Premier Holdco, LLC, which is presented as loans and advances to affiliates on the accompanying balance sheet.

Amounts Due to Related Parties

There were no accounts payable to related parties at December 31, 2024. At December 31, 2023, the Company had accounts payable to PPSF totaling $129,880, which relates to amounts advanced for working capital purposes.

Note 5 - Leases

The Company is obligated under operating leases primarily for office space in Franklin, Tennessee expiring in March 2025. During 2024, a lease in Roseville, CA for office space expired and was not renewed. The right-of-use assets and related lease liabilities have been calculated using a 5.0 percent discount rate. The leases require the Company to pay taxes, insurance, utilities, and maintenance costs. Total rent expense under these leases was $142,293 and $178,129 for the years ended December 31, 2024 and 2023, respectively.

Future minimum annual commitments under these operating leases are as follows:

Year Ending December 31	Amount
2025	$ 28,479
Less amount representing interest	327
Present value of net minimum lease payments	$ 28,152

Note 6 - Litigation

The Company has been named a party to a number of lawsuits along with certain former franchisees related to potential nonperformance by the former franchisee to the customer. These lawsuits are in the normal course of business and management believes the former franchisees are legally responsible for any potential damages. In the opinion of management, the resolution of these lawsuits will not have a material adverse effect on the Company's financial position or results of operations.

EXHIBIT F
to Franchise Disclosure Document

LIST OF FRANCHISEES IN OPERATION

(as of December 31, 2025)

ALABAMA

Alabama Central - James & Amelia Golden | Golden Pools, LLC | 300A Applegate Pkwy, Pelham, AL 35124 | (334) 657-5989

Baldwin County – Alexis & Gustavo Godoi | AMW Pools and Spas, LLC | 9564 Amethyst Dr, Daphne, AL 36526 | (251) 395-2873

Huntsville - Ray & Megan Garbiras | Salt and Light, LLC | 105 Von Braun Drive NW Huntsville, AL 35806 | (706) 318-5696

Tuscaloosa – Jon & Jennifer Hunt | Provision Pools Unlimited LLC | 7052 Old Mill Trace, Trussville, AL 35173 | (205) 381-1228

ARKANSAS

Fayetteville - Todd & Allison Crane | Poolscapes of NWA, LLC | 2055 S Doral Dr, Fayetteville, AR 72701 | (337) 489-6615

Little Rock - Zain Saleemuddin | ZMS Management Company, LLC | 3321 S Bowman Rd, Little Rock, AR 72211 | (501) 258-0566

ARIZONA

Phoenix - Ryan & Joy Phelps | Tradition Builders LLC | 8743 East Pecos Road, Suite 109, Mesa, AZ 85212 | (480) 725-8706

CALIFORNIA

Contra Costa - Taylor & Michelle Mehlhaff | JCT Inc | 905 Cotting Ln., Vacaville, CA 95688 | (707) 624-0258

East Bay - Taylor Mehlhaff, Brian Holland, Dawn Wagner, Jordon Smith | BDJT Inc | 515 Sycamore Valley Rd West, Danville, CA 94526 | (925) 644-7665

Fresno - Mark Sapien | M&M Pool and Design, Inc. | 2740 N. Sunnyside Ave., Fresno, CA 93727 | (833) 772-7266

Inland Empire - Dennis Carson | Carson Custom Pools Spas & Landscapes Inc | 1809 South Excise Ave., Ontario, CA 91761 | (323) 489-7715

Los Angeles - Reed Hartzog & Blake Swanson | Premier Pools South Bay LLC | 3395 Long Beach Blvd, Long Beach, CA 90807 | (213) 282-4344

Napa - Taylor Mehlhaff, Michael Godwin, Jordon Smith | DIVE Inc. | 4651 Udell Road, Vacaville, CA 95568 | (707) 317-8295

Orange County - Reed Hartzog | Orange County Pool Construction, Inc. | 26052 Merit Circle., Suite 106, Laguna Hills, CA 92653 | (949) 532-6630

Palm Desert - Jason Lewis | Brilliant Pools | 73700 Dinah Shore Dr #207, Palm Desert, CA 92211 | (760) 333-0187

Redding - Tim & Christy Hudson | Mirage Pool & Spa | 2620 Larkspur Lane., Unit M Redding, CA 96002 | (530) 226-0511

San Diego - Aaron Temme | Temme and Associates Inc | 5431 Avenida Encinas, Suite B Carlsbad, CA 92008 | (760) 476-0008

Santa Clarita - Rick Starsmere | RSPPS | 28524 Constellation Rd., Valencia, CA 91355 | (661) 799-7276

South Bay - Reed Hartzog & Blake Swanson | Orange County Pool Construction, Inc. | 26052 Merit Circle., Suite 106, Laguna Hills, CA 92653 | (949) 532-6630

Temecula - Jeff Boyer | Pacific Coast Pools Inc | 26499 Jefferson St, Unit E, Murrieta, CA 92562 | (951) 296-0199

Vacaville - Taylor & Michelle Mehlhaff | JCT Inc. | 905 Cotting Ln., Vacaville, CA 95688 | (707) 428-4411

COLORADO

Denver-South - Hector Guzman | CO Pool Inc. | 1334 S Canoe Drive, Colorado Springs, CO 80906 | (630) 212-4159

FLORIDA

Brevard County – Robin Lee & Jason Van Hoffman | Big Splash Builders LLC | 9611 North US Highway 1, Suite 325, Sebastian, FL 32958 | (772) 202-7181

Florida-South - Ron Sills | Backyard Amenities, LLC | 7805 SW Ellipse Way Ste 14, Stuart, FL 34997 | (954) 637-0707

Hollywood - Jim & Tanner Karafa | Sunshine Luxury Pools & Spas, LLC | 11400 Battersea Place, Fort Myers, FL. 33913 | (724) 816-0552

Fort Myers-North - Steve Mileski & Jacob Zervakis | Luxury Pools and Hardscapes 4, LLC | 16993 Wild Pine Trail North, Punta Gorda, FL 33982 | (704) 905-5988

Fort Myers-South - Steve Mileski & Jacob Zervakis | Luxury Pools and Hardscapes 4, LLC | 16993 Wild Pine Trail North, Punta Gorda, FL 33982 | (704) 905-5988

Jacksonville-North - Steve Mileski & Jacob Zervakis & John Karafa | Luxury Pools and Hardscapes 3, LLC | 1905 Promenade Way, Apt. 1410, Jacksonville, FL 32207 | (704) 905-5988

Jacksonville-South - Steve Mileski & Jacob Zervakis & John Karafa | Luxury Pools and Hardscapes 3, LLC | 1905 Promenade Way, Apt. 1410, Jacksonville, FL 32207 | (704) 905-5988

Naples - Brian Gleason | Gleason Ventures, LLC | 8408 Borboni Court, Naples, FL, 34114 | (616) 258-4023

Ocala - Bryan Watts | Custom Quality Pools & Spas LLC | 99 N Central Ave, Oviedo, FL 32765 | (407) 948-0269*

Orlando - Bryan Watts | Custom Quality Pools & Spas LLC | 311 Aulin Ave Ste 400, Oviedo, FL 32765 | (407) 948-0269*

Pensacola – Thiago Silva & Bryan Marinho | Marinho's Pools and Spas LLC | 1475 McKinnell Rd, Mobile, AL 36695 | (251) 215-4313

St. Augustine - Steve Mileski & Jacob Zervakis & John Karafa | Luxury Pools and Hardscapes 3, LLC | 1905 Promenade Way, Apt. 1410, Jacksonville, FL 32207 | (704) 905-5988

Tampa Bay North - Ryan Foster & Matt Nieter | SouthFoot Inc. | 2710 US ALT 19, Suite 202, Palm Harbor, FL 34683 | (951) 906-3273

Tampa Bay South - Shilpen Patel | Orlando Pool & Spa LLC | 10114 Cowley Rd, Riverview, FL 33578 | (727) 685-8232

Venice - Steve Mileski & Jacob Zervakis | Luxury Pools and Hardscapes 4, LLC | 16993 Wild Pine Trail North, Punta Gorda, FL 33982 | (704) 905-5988

Winter Garden - Roger Benitez | Fantasy Dream Realty LLC | 9477 Jaywood Rd., Winter Garden, FL 34787 | (786) 406-3075*

GEORGIA

Atlanta East - Bob & Gayle Gordon | South Atlanta Pools and Spas Inc | 9 Pine Grove Rd. Locust Grove, GA 30248 | (678) 782-6899 (Atlanta-East)

Atlanta North - Zach Geist | Two Streams Construction, LLC | 6116 GA 515, St. A, Ellijay, GA 30536 | (470) 242-9720 (Atlanta – North)*

Atlanta South - Bob & Gayle Gordon | South Atlanta Pools and Spas Inc | 9 Pine Grove Rd. Locust Grove, GA 30248 | (678) 782-6899

Savannah - John & Elizabeth Kieffer | Coastal Empire Designs, LLC | P.O. Box 586 Rincon, GA 31326 | (912) 675-9822

IDAHO

Boise - Scott Laing & Jason Swallow | Building Dreams LLC | 2775 W. Navigator Drive, Suite 110, Meridian, ID 83642 | (208) 949-3141

Idaho Falls - Ryan Marler & John Fisher | Pool Pros Inc. | 2840 W 3000 N, Rexburg, ID 83440 | (208) 201-6868

INDIANA

Indianapolis - Brian Wertz | Wertz's Pool, LLC | 102 Herriott Street, Franklin, IN 46131 | (317) 439-3598*

IOWA

Des Moines - Shawn & Brandy Harmison | Shandy LLC | 1595 Se 55th St. Pleasant Hill, IA 50327 | (515) 333-7799

Sioux City - Andy & Shauna Hovey | Hovey Pool Constructors LLC | 33591 479th Ave Jefferson, SD 57038 | (712) 490-7775

KANSAS

Wichita - Travis Bezio | Backyard Dreams LLC | 759 NW 40th Ave, St. John, KS 67576 | (316) 239-2030

KENTUCKY

Lexington - Spencer Stewart | ST Partners Inc | 1460 Amster Grove Rd. Winchester, KY 40391 | (859) 749-5230

Louisville - Anne Huter | Brighton Builders LLC | 12017 Eagle Knoll Dr. Sellersburg, IN 47172 | (502) 592-5125

LOUISIANA

New Orleans - Wesley Whitfield | SPS Services LLC | 847 Galvez St, Suite 101A, Mandeville, LA 70448 | (985) 612-1250

Monroe - Chance & Michael Carlton | Carlton Brothers Enterprises LLC | 262 Country Club Rd, Jonesboro, LA 71251 | (318) 475-0453

MAINE

Lewiston - Michael Dubuc & Derek Messenger | Michael's Pool N' Patio, Inc | 2010 Lisbon Road, Lewiston, ME 04240 | (207) 782-1514

MICHIGAN

Bay City - Pat & Shannon Doyle | D and C Contracting LLC | 147 Bay Shore Dr. Bay City, MI 48706 | (810) 202-2244*

Grand Rapids - Josh Vanspyker | Paradym Pools LLC | 4269 Unity Dr. Hudsonville, MI 49426 | (616) 218-4360

MISSOURI

St. Louis - Mike Hampton | AquaTerra Contracting, LLC | 700 Crown Industrial CT Unit M Chesterfield, MO 63005 | (314) 737-2541

St. Louis - Larry & Jesteene Otte | Midwest Pool Ventures, LLC | 301 Cuivre Point Dr Moscow Mills, MO 63362 | (314) 422-9707*

MISSISSIPPI

Gulfport - Jimmy Holston | Holston Pool Builders | 16038 Highway 49 Gulfport, MS 39503 | (228) 539-3509

Oxford - Craig Merrell & Austin Wallace | Prestige Outdoors LLC | 36 Country Road 206 Abbeville, MS 38601 | (662) 816-1907

NEBRASKA

Omaha - Ross & Ashley Haley | Pineapple Pools, LLC | 14021 Shirley Street Omaha, NE 68144 | (402) 917-3231*

NEW HAMPSHIRE

New Hampshire - Jason Woods | Heritage Four, LLC | 11 Ladd Street Portsmouth, NH 03801 | (603) 370-0709

NEVADA

Las Vegas - Brandon Snyder, Lance Irby, Eric Vukovich, Keith Harbeck | Eastern Sierra Construction LLC | 50 West Liberty St Reno, NV 89501 | (916) 472-5079

Reno - Brandon Snyder, Lance Irby, Eric Vukovich, Keith Harbeck | Eastern Sierra Construction LLC | 50 West Liberty St Reno, NV 89501 | (916) 472-5079

NEW JERSEY

New Jersey - Dickson Munds | C033 LLC | 30 Royal Rd. – Suite 2B Flemington, NJ 8867 | (212) 933-9900

NEW YORK

Long Island - Anthony Boglino | Premiere Pools & Spas | 401 Broadway, Port Jefferson Station, NY 11776 | (631) 474-3333

NORTH CAROLINA

Charlotte East - Mark Burkett | WaterMark Pool Corporation | 288 Chandeleur Mooresville, NC 28117 | (704) 572-3771

Charlotte West - Matt & Lexi Burkett | Platinum Pool and Spa Corp. | 132 Longleaf Drive Mooresville, NC 28117 | (704) 657-4112

Durham – Kip Meyers | Premier Outdoor Living, LLC. | 2140 Page Rd. Suite 102, Durham, NC | (614) 578-5384

Greensboro - Heath Martin | Dreamscape Builders LLC | 8302 Linville Oaks Dr. Oak Ridge, NC 27310 | (336) 317-6264

Hickory – Mark Burkett, Megan Burkett, Josh Gray, & Kayla Gray | G&B Custom Pools LLC | 116 Gasoline Alley Ste 113, Mooresville, NC 28117

Morehead City - Chuck Mihalcoe | Coastal Royale, LLC | 10131 Sycamore Landing Rd Williamsburg, VA 23188 | (757) 592-4007

Raleigh – Bruce DeLorenzo | BDL Construction Inc. 3008 ANDERSON DRIVE SUITE 209, Raleigh NC 27609 | (980) 435-6265

Wilmington - Steve Mileski & Jacob Zervakis | Luxury Pools and Hardscapes 6, LLC | 5509 Business Dr, Wilmington, NC 28405 | (704) 905-5988

OHIO

Cincinnati - Bruce Mills & Bob Uecker | Southwest Ohio Pools and Spas LLC | 7897 Red Fox Trail, Morrow, OH 45152 | (513) 448-9696

Cleveland - Stephanie Shaw & Scott Laing | Pool Persons LLC | 32300 Aurora Rd #3, Solon, OH 44139 | (216) 232-5844

Columbus - Kip & Amy Meyers | Sublime Pools & Spas LLC | 1800 Timberlake Dr., Delaware, OH 43015 | (614) 578-5384

Dayton - Bruce Mills & Bob Uecker | Western Ohio Pools and Spas, Inc. | 7897 Red Fox Trail, Morrow, OH 45152 | (513) 448-9696

Mansfield - Tony Mowrer | Mowrer Holding, LLC | 8537 Congress Rd., West Salem, OH 44287 | (330) 317-1724

OREGON

Portland - Vitaliy Shavlovskiy & Natasha Shavlovskiy | Victory Construction LLC | 9150 SW Pioneer Ct, Suite 126, Wilsonville, OR 97062 | (503) 943-9673

PENNSYLVANIA

Pittsburgh South - Bob Albright & Andy & Alfie Soberdash | Dash Bright Pools, LLC | 1192 University Drive, Dunbar, PA 15431 | (724) 984-1323

Souderton - Jeff McGalliard & Mike McGalliard | JMK Associates, Inc | 751 Wambold Road, Souderton PA 18964 | (215) 723-8168

SOUTH CAROLINA

Augusta - Justin & Rachel Wilson | CSRA Backyard Oasis LLC | 95 Chewink Way, Aiken, SC 29801 | (803) 257-2619

Charleston - John Karafa | Luxury Pools and Hardscapes 2, LLC | 1535 Wakendaw Road, Mount Pleasant, SC 29464 | (757) 345-1390

Columbia – Michelle & Mike Norton | Prosperity Pools, LLC | 12 Shoreview Dr., Prosperity, SC 29127 | (803) 608-7615

Greenville - Cassidy Mehlhaff & Brent Horsman | | 215 Burning Bush Rd., Greenville, SC 29607 | (707) 372-4737

Myrtle Beach - Steve Mileski & Jacob Zervakis | Luxury Pools and Hardscapes 6, LLC | 430 McLaws Cir. Suite 201 Williamsburg, VA 23185 | (704) 905-5988

TENNESSEE

Chattanooga - Zach Geist | Two Streams Construction, LLC | 6102 Shallowford Road #105, Chattanooga, TN 37421| (470) 242-9720*

Cookeville - Jesse West | Living Waters Pools and Spas, LLC | 7312 Roberts Matthews Highway Cookeville, TN 38506 | (931) 787-2674

Jackson - Toby & Molly Czerniak | CZERNIAK POOLS LLC | 934 Esquire Estes Rd. Humboldt, TN 38343 | (901) 848-2289

Johnson City - Seth Kibelbek | Pride Lawn Care Landscaping & Snow Removal LLC | 292 Hogeye Rd. Limestone, TN 37681 | (423) 948-5921

Knoxville - Nathan & Rachel Hodges | Hodges Pools LLC | 729 Hidden Glen Ln. Knoxville, TN 37922 | (865) 806-3106

Nashville North - Kevin & Jennifer Noel | JK Pools LLC | 110 Hunters Lane Hendersonville, TN 37075 | (707) 689-2809

Nashville South - Aaron & Christy Gurley | Tahoe Ridge, LLC | 3821 Pulpmill Dr. Thompson's Station, TN 37179 | (615) 567-3848

TEXAS

Amarillo – Thomas & Courtnie Werner | Roadrunner Lawn Care LLC | 3903 Huntington Drive, Amarillo, TX 79109 | (512) 777–8011

Austin - John & Cristy Curl | Premier ATX Industries, LLC | 3450 CR 255, Georgetown, TX 78633 | (512) 777–8011

Austin S - John & Cristy Craft Curl | Bay City Pools, LLC | 421 N. IH35 Frontage Rd., Georgetown, TX 78628 | (512) 409-1930*

Big Country - Craig & Cindy Walsh | Crossing Jordan Ventures LLC | 1102 Country Road 161 Ovalo, TX 79541 | (325) 260-2341

Corpus Christi - Chip & Trina Rayburn | C323 Holdings, LLC | 6601 Everhart Rd, Ste H-5, Corpus Christi, TX 78413 | (979) 968-8361

Cypress - Chip & Trina Rayburn | C323 Holdings, LLC | PO Box 446 La Grange, TX 78945 | (979) 968-8361

Dallas-North - Jeff Boyer | Bild Development, LLC | 1100 Jupiter Rd Ste 121, Plano, TX 75074| (469) 909-1638*

Dallas -South - Jeff Boyer | Bild Development, LLC | 1100 Jupiter Rd Ste 121, Plano, TX 75074| (469) 909-1638*

Dallas-West - Jeff Boyer | Bild Development, LLC | 1100 Jupiter Rd Ste 121, Plano, TX 75074| (469) 909-1638*

Denton - Chris Menagay & Jerod Wilson | JC Outdoor Living LLC | 325 County Road Alvord, TX 76225 | (817) 845-9776*

Fort Worth - Jeff Boyer | Bild Development, LLC | 1100 Jupiter Rd Ste 121, Plano, TX 75074| (469) 909-1638*

Houston - John & Cristy Craft Curl | Bay City Pools, LLC | 421 N. IH35 Frontage Rd., Houston, TX 78628 | (512) 409-1930

La Grange - Chip & Trina Rayburn | C323 Holdings, LLC | 820 N. Jefferson St., La Grange, TX 78945 | (979) 968-8361

Laredo - Fernando Galindo & Oscar J Trevino | SPLASHING POOLS LLC | 3119 Fair Oaks Ct, Laredo, TX 78045 | (956) 237-8819

Lubbock - Kevin Romero | LBK Exteriors, LLC. | 10702 Huron Avenue Lubbock, TX 79424 | (806) 5493734

Midland Odessa - Jessica & Erick Gavaldon, Matt Molinar, Raul Porras | PMG Management Group LLP | 1011 N Dixie Blvd, Odessa, TX 79761 | (432) 425-2941

Rio Grande Valley - Alex & Anna Mandea | Monarch Outdoor Living LLC | 32490 Edgewater Isle Dr. Los Fresnos, TX 78566 | (956) 202-6272

San Antonio North - John & Cristy Curl | C7 Pools San Antonio, LLC | 40201 Industrial Park Circle, Georgetown, TX 78626 | (512) 777–8011

San Antonio South - Davis Accadia & Parker Sands | Legacy Brothers Pools, LLC | 6706 Colony Road, Midland, TX 79706 | (432) 878-1120

Spring - Larry Holscher | FiberWay Pools, LLC | 6318 Whistling Pines Drive, Spring, TX 77389 | (541) 678-2282

Sugarland - John & Cristy Curl | C7 Pools Waco, LLC | 421 N IH 35 Service Rd.,Georgetown, TX 78628 | (512) 409-1930

Tyler - Mike Ribnikar | Sandal Pools LLC. | 1100 Jupiter Rd., Ste 121, Plano, TX 75074 | (214) 620-1044*

Waco - James & Carissa Dodd | Graystone Pools LLC | 3919 Weston Dr., Fulshear, TX 77441 | (713) 517-0748

UTAH

Salt Lake City - Scott Laing & Jason Swallow | Premier Pools and Spas LLC | 12884 South Frontrunner Blvd, Suite 140 Draper, UT 84020 | (435) 695-5256

St. George - Richard Holm | H & H Big Splashin LLC | 230 N 1680 E, Suite L2 St. George, UT 84790 | (208) 206-0616

VIRGINIA

Charlottesville - Steve & Betsy Mileski | Luxury Pools and Hardscapes 1 LLC | 430 McLaws Cir. Suite 201 Williamsburg, VA 23185 | (704) 905-5988

Fredericksburg - Steve Mileski & Jacob Zervakis | Luxury Pools and Hardscapes 7, LLC | 430 McLaws Cir. Suite 201 Williamsburg, VA 23185 | (704) 905-5988

NoVa - Steve Mileski & Jacob Zervakis | Luxury Pools and Hardscapes 7, LLC | 430 McLaws Cir. Suite 201 Williamsburg, VA 23185 | (704) 905-5988

Richmond-East - Chuck Mihalcoe | Croaker Royale, Inc. | 10131 Sycamore Landing Rd Williamsburg, VA 23188 | (757) 592-4007

Richmond-West - Steve & Betsy Mileski | Luxury Pools and Hardscapes 1, LLC | 430 McLaws Cir. Suite 201 Williamsburg, VA 23185 | (704) 905-5988

Virginia Beach - John Witte & Chip Rudolf | Coastal Pools and Spas of Virginia, LLC | 804 Surfside Ave Virginia Beach, VA 23451 | (757) 409-9669

WASHINGTON

Tacoma - Ross & Brett Johnson | Northwest Pools LLC | 5727 201st Ln SE Tenino, WA 98589 | (360) 701-3063

* These 16 franchisees operate their Franchised Businesses under the “Pinnacle Pools & Spas” brand.

LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM

as of December 31, 2025

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

2025 Terminations

CA Los Angeles - Alex Vasquez | AVCORE Inc | 2001 S. Electric Ave., Alhambra, CA 91803 | (213) 282-4344

CA Marin - Rick Fernandez | RJDJ, Inc | 926A Diablo Ave #151, Novato, CA 94947 | (415) 259-6100

CA San Fernando Valley - Travis Easton & Carlos Andrade | ED&R Pools and Spas | 185 E City Place Dr., Santa Ana, CA 92705 | (704) 651-0455

CA Santa Barbara - Travis Easton & Carlos Andrade | ED&R Pools and Spas | 185 E City Place Dr., Santa Ana, CA 92705 | (704) 651-0455

FL Brevard County - Rich & Nick Randazzo | Randazzo Investments LLC | 5915 Trieda Dr. Melbourne, FL 32940 | (386) 569-9627

ID Boise - Scott Laing & Jason Swallow | Select Pools & Spas LLC | 2775 W. Navigator Drive, Suite 110, Meridian, ID 83642 | (208) 949-3141 [signed a new franchise agreement under a different entity]

IL Chicago West - Nathan & Rachelle Whiteman | Whiteman Family Pools, Inc. | 550 Pekin St Lincoln, IL 62656 | (217) 468-8827

IL Illinois Central - Nathan Whiteman | Whiteman Family Pools, Inc. | 550 Pekin St Lincoln, IL 62656 | (217) 468-8827

KS Kansas City South - Charlie Martel | KC Oasis, LLC | 13169 Hayes St. Overland Park, KS 66213 | (913) 634-3587*

NM Albuquerque - Andrew Reeves | Reeves Investments LLC | 77 Dulce Ct Corrales, NM 87048 | (505) 985-8225

NC Charlotte - Mike & Makenzi Burkett | Elite Pool and Spa Corp. | 801 Clinton Rd, Suite C104 Charlotte, NC 28217 | (612) 325-8927

NC Granite Falls - Melaina Rhoney & Westley Swanson | West Builders of the Carolinas, LLC | 301 E Meeting St. Suite 201 Morganton, NC 28655 | (828) 439-3013

NC Myrtle Beach - Steve Mileski & Jacob Zervakis | Luxury Pools and Hardscapes 6, LLC | 430 McLaws Cir. Suite 201 Williamsburg, VA 23185 | (704) 905-5988 [reclassified in South Carolina]

TN Memphis - Ashely & Evan Claypool | Claypool Family Pools, LLC | 597 Broadway Road N, Lexington, TN 38351 | (217) 460-2939

TN Nashville West - Cole & Jaclyn McRae | McRae LLC | 139 Old Hwy 96 Burns, TN 37029 | (615) 305-9696

TX Bowie - Lonnie Terrell & Jami Davini | 5x3, LLC | 208 Harvard Lane, Springtown, TX 76082 | (661) 889-5259*

2025 Transfers

None

Franchisees Who Left the System in 2026

None

Franchise Agreements Signed, but Not Yet Operational as of December 31, 2025

CA Bakersfield - Mark Sapien | M&M Pool and Design, Inc. | 2740 N. Sunnyside Ave., Fresno, CA 93727 | (833) 772-7266

CA San Luis Obispo - Chris Jones | Mattsix | 1811 N. Twinberry Ave., Clovis, CA 93619 | (559) 270-8144

KS Kansas City - Dustin Fisk | Paradise Builders LLC | 11944 W 95th St #221 Lenexa, KS 66215 | (913) 800-1590*

TN Memphis - David May & Juan Carpio | Oro Pools, LLC | 6342 Maco Rd, Memphis, TN 38134 | (901) 214-4716

EXHIBIT G
to Franchise Disclosure Document

CURRENT FORM OF GENERAL RELEASE

Franchisee's name(s): _____
Franchisee's address: _____
_____

Franchisee's territory: _____
_____

1. Franchisee is a current or former Premier Pools & Spas® franchisee or a current or former Pinnacle Pools & Spas® franchisee.

2. Franchisee, on behalf of Franchisee and all successors, representatives, assigns and agents of Franchisee, hereby releases and forever discharges Premier Franchise Management LLC (a Nevada limited liability company) and its successors, assigns, representatives, agents, officers, directors, shareholders, managers, members, affiliates and employees, whether past or present, of and from any claims, controversies, debts, rights, liabilities, disputes, demands, obligations, costs, expenses, actions, and causes of action of any nature, character or description, known or unknown, vested or contingent, which Franchisee and all successors, representatives, assigns and agents of Franchisee now own or hold or have at any previous time owned or held, or may at any future time own or hold, arising through the date of this General Release. Without limitation, the release and discharge provided in this paragraph forever forecloses Franchisee from raising such matters by way of complaint, affirmative defense, counterclaim, cross-action, setoff or recoupment.

3. By executing this General Release, Franchisee, on behalf of Franchisee and all successors, representatives, assigns and agents of Franchisee, represent and warrant that no third party has or claims any interest in any claim released by this General Release.

4. Franchisee acknowledges that this General Release has the effect of releasing any and all rights granted to Franchisee as the franchisee under the terms of its Franchise Agreement relating to the franchise described above.

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

***

This General Release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

IN WITNESS WHEREOF this General Release is executed on _____, 20___.

FRANCHISEE:

Entity name (if any):

_____

By: _____
Printed Name: _____

By: _____
Printed Name: _____

STATE EFFECTIVE DATES

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

This 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	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	
Rhode Island	Pending
South Dakota	
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.

RECEIPT (YOUR COPY)

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

If Premier Franchise Management LLC offers you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

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

Issuance date: March 31, 2026

Our franchise sellers include Paul Porter, Brian Porter, Bart Zacks, Greg Adams and Cody Burgess, 1221 Liberty Pike, Franklin, TN 37067, phone 615-656-3095, and the following:

Name: _____ Business phone: _____
Business address: _____

* * * * *

I have received a Disclosure Document dated March 31, 2026, that included the following Exhibits:

A	State Addenda
B	List of State Agencies / Agents for Service of Process
C	Franchise Agreement and Exhibits
D	Manual Table of Contents
E	Financial Statements
F	List of Franchisees and List of Franchisees Who Have Left the System
G	Current Form of General Release

Date:_____ Prospective Franchisee: _____
(do not leave blank) Printed Name: _____

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