

FRANCHISE DISCLOSURE DOCUMENT

Double Bar Cleaning, LLC

A New York limited liability company d/b/a Maid Right
of White Plains
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We offer franchises to independently own and operate a residential cleaning business that operates under our MAID RIGHT® service mark and other trademarks, trade names, service marks, slogans and logos that we may authorize.

The total investment necessary to begin operation of a Maid Right unit franchise is about \$5,500 to \$58,200. This includes \$1,600 to \$43,800 that must be paid to us or our affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Barbara Reguero at 92 North Avenue, Suite 109, New Rochelle, New York 10801, 914-999-4747, Barbara.reguero@maidright.com.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "[A Consumer's Guide to Buying a Franchise](#)," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, 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: May 15, 2025

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits D and E.
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 C 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 Maid Right 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 Maid Right franchisee?	Item 20 or Exhibits D and E list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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 us by arbitration in the State of New York. Out-of-state arbitration may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate with us in New York than in your own state.
2. The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

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

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EXHIBITS:

Exhibit A - Franchise Agreement

Exhibit B - Table of Contents - Brand Standards Manual

Exhibit C - Financial Statements (Regional Master Franchisee and Master Franchisor)

Exhibit D - List of Our Current Franchisees

Exhibit E - List of Our Former Franchisees

Exhibit F - Franchise Administrator and Agent for Service of Process Contacts

Exhibit G – New York State Addendum

Exhibit H – State Effective Dates

Exhibit I - Receipts

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

To simplify the language in this disclosure document, Double Bar Cleaning, LLC means the franchisor and is referred to in this disclosure document as “we”, “us”, and “our.” “You” and “your” mean the entity (generally corporation or limited liability company) that buys the franchise, the franchisee. You may not acquire the franchise as a sole proprietor. All of your owners must agree to be personally bound under the Franchise Agreement.

Our Information

We are a New York limited liability company that was organized on November 12, 2014. We do business under the name Maid Right of White Plains. Our principal business address is 92 North Ave suite 109 New Rochelle, New York 10801. Our agent for service of process is the New York Secretary of State and this agent’s principal business address is Secretary of State, 99 Washington Avenue, Albany, New York 12231.

We are in the business of offering, selling, and supporting, Maid Right unit franchises (“Franchises”). We have been offering Franchises since March 6, 2015. Although we are a Maid Right regional master franchisee, we have never operated a Franchise. We also have never offered franchises in any other line of business.

Our Parents

We have no parents.

Our Affiliates

We have no affiliates that are selling franchises or that provide products or services to our franchisees.

Our Predecessor

We have no predecessors.

The Franchises Offered

Maid Right, LLC (the “Master Franchisor”) has developed a system (the “System”) under which independently owned and operated unit franchisees provide residential cleaning services and related services under the MAID RIGHT® service mark and other trademarks, trade names, service marks, slogans and logos that it authorizes (collectively, the “Marks”). The Master Franchisor has granted us the right to offer and sell Franchises to persons who want to independently own and operate Maid Right businesses to service residential customers in our designated territory. Our designated territory includes the area in Westchester County, New York, including the following Zip Codes: 10502, 10522, 10528, 10530, 10533, 10538, 10543, 10550, 10552, 10553, 10573, 10577, 10580, 10583, 10601, 10605, 10606, 10607, 10701, 10703, 10704, 10705, 10706, 10707, 10708, 10709, 10710, 10801, 10803, 10804, and 10805 (the “Territory”). Selling and servicing these Franchises is our only business.

Each Franchise is an independently owned and operated business. When you purchase a Franchise from us, you will sign a unit franchise agreement (“Franchise Agreement”). The Franchise Agreement includes the rights and responsibilities that you have when operating your Franchise under the Maid Right brand. You operate your Franchise as an independent business owner, not as our or anyone else’s employee. As the owner of your own independent business, you make all decisions on the goals of your business and on how you achieve those goals. You alone choose the details of the day-to-day operations of your Franchise — subject to our System standards, which are necessary to protect and promote the Maid Right® brand.

Each Maid Right Business must operate in accordance with MR Franchisor’s **“System”**. The distinguishing characteristics of the System include among other things, brand standards and procedures for business operations and management; procedures and strategies for marketing, advertising and promotions, signage, vehicle wrapping, inventory and materials; methods and techniques for cleaning, restoring and protecting exterior surfaces; methods and techniques for inventory and cost control; the Marks; the Brand Standards Manual; and brand standards, specifications and procedures for record keeping, accounting, billing, collections and account management; all of which are designed to enhance the brand and the business and managerial aspects of the residential cleaning business.

As an independent business owner, you will choose your work hours and what work is done and how it is done (subject, of course, to customers’ preferences); you may hire your own employees and you may delegate work to your employees; you furnish your own supplies, equipment, and workplace; and you pay for your own expenses. We do not pay you a wage or salary, and you may suffer losses if you are not successful in your Franchise.

You must prepare, file, and pay all federal and state taxes, payments, and tax returns required on all income you earn from your Franchise, including all income, unemployment, and payroll taxes, such as FICA (social security and Medicare), FUTA (federal unemployment), and SECA (self-employment contributions) payments.

General Market and Competition

Your market includes homeowners and renters that desire cleaning services. The market for residential cleaning services is well developed. Your competitors will include other national or regional franchised systems, and independent residential cleaning companies.

Industry Regulations

Federal, state, and local laws, rules, regulations and ordinances may apply to the operation of a Maid Right Business. Some of the laws specific to the cleaning industry are health and sanitation laws and the Occupational Safety and Health Act (“OSHA”). OSHA regulations require you to comply with Safety Data Sheets (“SDS”) concerning cleaning chemicals and waste disposal. There may be other laws applicable to your Franchise. You should research these laws.

Laws and regulations vary widely from place to place. You should consult an advisor in your area to determine all applicable laws and regulations. You must obtain all occupational or similar permits and licenses and operational licenses. We are not required to provide any guidance in compliance with these laws and regulations, and any guidance that is provided is not guaranteed. You should consult with your attorney concerning these and other laws, regulations and ordinances that may affect the operation of the Franchised Business. You are solely responsible for investigating and

complying with all of these applicable laws, regulations and other requirements, despite any advice or information that we may give you. We have not specifically researched these laws in your state and locality to determine their applicability to your Franchised Business.

The Master Franchisor's Corporate Information and Business Experience

Our current franchisor is Maid Right, LLC ("**MR Franchisor**"), a limited liability company formed in the State of Delaware on April 12, 2018. MR Franchisor's principal place of business is 126 Garrett Street, Suite J, Charlottesville, VA 22902. MR Franchisor does business only under its corporate name and the name "MAID RIGHT."

MR Franchisor is 100% owned by Premium Service Brands, LLC ("**PSB**"), a Delaware entity formed on January 20, 2015, with its principal place of business at 126 Garrett Street, Suite J, Charlottesville, Virginia, 22902. Neither MR Franchisor nor PSB offers franchises in any line of business and does not provide products or services directly to their franchisees or our subfranchisees, but MR Franchisor's training program, the call center services, its internally-prepared marketing and technology services are provided by PSB personnel who are leased to MR Franchisor based on an allocated share of their costs.

MR Franchisor acquired substantially all of the assets of Maid Right Franchising, LLC ("**MRF**") on April 13, 2018. MRF was organized on January 28, 2013 and began offering franchises in March 2013. The principal business address of MRF was 2520 Northwinds Parkway, Suite 375, Alpharetta, GA 30009. The franchises offered by MRF were master franchises, under which master franchisees such as us offered unit franchises to establish and operate Maid Right branded businesses. MR Franchisor assumed those master franchise agreements as part its acquisition of MRF's assets. MRF operated one Maid Right business until MR's acquisition of MRF's assets, which was sold to a MR Franchisor franchisee after the acquisition. MRF did not offer franchises in any other line of business.

MR Franchisor's Affiliates

MR Franchisor has certain affiliates that franchise other concepts, as follows:

MR Franchisor affiliate 360 Painting, LLC ("**360 Painting**") is the franchisor of businesses that provide a full range of painting and wall finishing services for both exterior and interior portions of residences and "light commercial" buildings under the name "360 Painting." 360 Painting's principal business address is 126 Garrett Street, Suite J, Charlottesville, Virginia 22902. 360 Painting has offered franchises since its formation on April 1, 2013. 360 Painting is the successor of 360 Painting, Inc., which offered and sold franchises from September 2, 2006 until April 1, 2013. 360 Painting does not and has not previously offered franchises in any other line of business. 360 Painting engages in no other line of business, and does not own or operate any businesses similar to the one it franchises. As of December 31, 2024, there were 122 360 Painting franchisees in the U.S operating 153 territories.

MR Franchisor affiliate Pro-Lift Doors Franchise, LLC ("**Pro Lift**") is the franchisor of businesses that offer and sell a full range of residential and commercial overhead garage services under the name "Pro Lift Garage Doors." Pro Lift's principal business address is 126 Garrett Street, Suite J, Charlottesville, Virginia 22902. Pro Lift has been offering franchises since September 1, 2015. Pro Lift does not offer franchises in any other line of business, does not engage in any other line of business, and does not own or operate any businesses similar to the one it franchises. As of December 31,

2024, there were 57 Pro Lift franchisees in the U.S. operating 72 territories.

MR Franchisor affiliate House Doctors, LLC ("**House Doctors**") is the franchisor of businesses that provide handyman services for both exterior and interior portions of residences and "light commercial" buildings under the name of "House Doctors". House Doctors' principal business address is 126 Garrett Street, Suite J, Charlottesville, Virginia 22902. House Doctors was originally named Handyman Pro, LLC ("Handyman Pro") and began offering Handyman Pro franchises in April 2018. On September 30, 2021, Handyman Pro acquired the assets of the House Doctors brand and formally changed its name effective on November 9, 2021. As of December 31, 2024, there were 69 House Doctors franchisees operating 88 territories. House Doctors does not currently have any plans to offer Handyman Pro franchises in the future. House Doctors does not offer franchises in any other line of business, does not engage in any other line of business, and does not own or operate any businesses similar to the one it franchises.

MR Franchisor affiliate Kitchen Wise, LLC ("**Kitchen Wise**") is the franchisor of businesses that market, design, sell and install custom products and shelving for kitchen and bathroom cabinets and closets under the name "Kitchen Wise". Kitchen Wise's principal business address is 126 Garrett Street, Suite J, Charlottesville, Virginia 22902. Kitchen Wise has been offering franchises since October 2019. Kitchen Wise does not offer franchises in any other line of business, does not engage in any other line of business, and does not own or operate any businesses similar to the one it franchises. As of December 31, 2024, there were 7 Kitchen Wise franchisees in the U.S. operating 7 territories.

MR Franchisor affiliate Rubbish Works, LLC ("**Rubbish Works**") is the franchisor of businesses that offer full-service junk removal for residential consumers under the name "Rubbish Works". Rubbish Works' principal business address is 126 Garrett Street, Suite J, Charlottesville, Virginia 22902. Rubbish Works has been offering franchises since November 2020 and does not offer franchises in any other line of business, does not engage in any other line of business and does not own or operate any similar businesses to the one it franchises. As of December 31, 2024, there were 3 Rubbish Works franchisees in the U.S. operating 4 territories.

MR Franchisor affiliate The Grout Medic, LLC ("**Grout Medic**") is the franchisor of businesses that provide a full range of tile and grout restoration, repair, and re-caulking services for both exterior and interior portions of residences and "light commercial" buildings under the name "The Grout Medic". The Grout Medic's principal business address is 126 Garrett Street, Suite J, Charlottesville, Virginia 22902. The Grout Medic has offered franchises since its formation in October 2021. The Grout Medic (a Delaware limited liability company) is the successor of The Grout Medic, LLC (a Texas limited liability company), which offered and sold franchises from December 21, 2018 until September 17, 2021. The Grout Medic does not and has not previously offered franchises in any other line of business. The Grout Medic engages in no other line of business, and does not own or operate any businesses similar to the one it franchises. As of December 31, 2024, there were 45 The Grout Medic franchisees in the U.S. operating 69 territories.

MR Franchisor affiliate RooterMan, LLC ("**RooterMan**") is the franchisor of businesses that offer plumbing and sewer services for residential and commercial consumers under the name of "Rooterman". RooterMan's principal business address is 126 Garrett Street, Suite J, Charlottesville, Virginia 22902. RooterMan has been offering franchises since February 2022 and does not offer franchises in any other line of business, does not engage in any other line of business, and does not own or operate any similar businesses to the one it franchises. As of December 31, 2024, there were 62 RooterMan franchisees operating 604 units in the U.S. and Canada.

MR Franchisor affiliate Window Gang, LLC ("**Window Gang**") is the franchisor of businesses that offer window cleaning, gutter cleaning, pressure washing, low pressure chemical washing, deck/fence restoration, roof washing, house washing, dryer vent cleaning, chimney sweeping and other cleaning services under the name "Window Gang". Window Gang's principal business address is 126 Garrett Street, Suite J, Charlottesville, Virginia 22902. Window Gang has been offering franchises since May 2023 and does not offer franchises in any other line of business, does not engage in any other line of business, and does not own or operate any similar businesses to the one it franchises. As of December 31, 2024, there were 37 Window Gang franchisees in the U.S. operating 54 territories.

Although not associated with MR Franchisor's parents PSB Group, PSB or AE Capital, another affiliate of MR Franchisor through common control with MR Franchisor's Chief Executive Officer is Purvelo Franchising, LLC ("**Purvelo**"), which is the franchisor of boutique spin fitness studio businesses that operate under the name "Purvelo". Purvelo's principal place of business is 126 Garrett Street, Suite J, Charlottesville, Virginia 22902. Purvelo has been offering franchises since September 2022 and does not offer franchises in any other line of business or engage in any other line of business, but it does own or operate 1 company-affiliated operating studio. As of December 31, 2024, there was 1 Purvelo franchisee in the U.S. operating 2 studios along with 1 company-affiliated operating studio.

Although not associated with MR Franchisor's parents PSB Group, PSB or AE Capital, another affiliate of MR Franchisor through common control with MR Franchisor's Chief Executive Officer is Eat the Frog Franchising, LLC ("**Eat the Frog**"), which is the franchisor of fitness and workout studio businesses that operate under the name "Eat the Frog Fitness". Eat the Frog's principal place of business is at 126 Garrett St., Suite J, Charlottesville, VA 22902. Eat the Frog became MR Franchisor's affiliate following an acquisition that closed on April 1, 2024. Eat the Frog has been offering franchises since April 1, 2024 and does not offer franchises in any other line of business, does not engage in any other line of business, and does not own or operate any similar businesses to the one it franchises. Eat the Frog's predecessor, ETF Franchising, LLC, franchised the Eat the Frog system from April 2016 to March 2024. As of December 31, 2024, there were 4 Eat the Frog franchisees in the U.S. operating 4 franchised businesses.

Although not associated with MR Franchisor's parents PSB Group, PSB or AE Capital, another affiliate of MR Franchisor through common control with MR Franchisor's Chief Executive Officer is Row House Franchising, LLC ("**Row House**"), which is the franchisor of fitness and workout studio businesses that operate under the name "Row House". Row House's principal place of business is at 126 Garrett St., Suite J, Charlottesville, VA 22902. Row House became MR Franchisor's affiliate following an acquisition that closed on May 20, 2024. Row House has been offering franchises since May 20, 2024 and does not offer franchises in any other line of business, does not engage in any other line of business, and does not own or operate any similar businesses to the one it franchises. Row House's predecessors, Row House Franchise SPV, LLC and Row House Franchise, LLC, franchised the Row House system from December 2017 to May 2024. As of December 31, 2024, there were 46 Row House franchisees in the U.S. operating 46 franchised businesses and no company-affiliated businesses.

Although not associated with MR Franchisor's parents PSB Group, PSB or AE Capital, another affiliate of MR Franchisor through common control with MR Franchisor's Chief Executive Officer is Neighborhood Barre Franchising, LLC ("**Neighborhood Barre**"), which is the franchisor of fitness

and workout studio businesses that operate under the name “Neighborhood Barre”. Neighborhood Barre’s principal place of business is at 126 Garrett St., Suite J, Charlottesville, VA 22902. Neighborhood Barre became MR Franchisor’s affiliate following an acquisition that closed on August 5, 2024. Neighborhood Barre has been offering franchises since August 5, 2024 and does not offer franchises in any other line of business and does not engage in any other line of business, but it does own or operate 1 company-affiliated Neighborhood Barre business. Neighborhood Barre’s predecessor, Barre Skinny, LLC, franchised the Neighborhood Barre system from July 2014 to August 2024. As of December 31, 2024, there were 21 Neighborhood Barre franchisees in the U.S. operating 21 franchised businesses and 1 company-affiliated Neighborhood Barre business.

ITEM 2 BUSINESS EXPERIENCE

Our Business Experience

Barbara Reguero, President

Barbara Reguero has been the founder and president of Maid Right of White Plains since November 2014.

The Master Franchisor’s Business Experience

Maid Right, LLC’s Executives

Chief Executive Officer: Paul Flick

Mr. Flick has served as MR Franchisor’s CEO at its headquarters in Charlottesville, VA since September 2015. Mr. Flick has also served as the CEO of PSB at its headquarters in Charlottesville, VA since January 2015. Mr. Flick also serves as the CEO of MR Franchisor’s affiliated companies, all of which are headquartered in Charlottesville, VA: 360 Painting, since April 2013; Pro Lift, since September 2015; Maid Right, since April 2018; Kitchen Wise, since September 2019; Rubbish Works, since November 2020; House Doctors, since April 2018; The Grout Medic, since September 2021; RooterMan, since January 2022; and Window Gang since May 2023. Mr. Flick has also served as CEO of Purvelo since May 2022, of Eat the Frog since April 2024, of Row House since May 2024, of Neighborhood Barre since August 2024, all in Charlottesville, VA.

Chief Operating Officer: Roxanne Conrad

Ms. Conrad has served as MR. Franchisor’s Operating Officer of PSB since April 2024 based in Charlottesville, VA and Naperville, IL. Ms. Conrad served as Senior Vice President of Operations of PSB from November 2023 to March 2024 based in Naperville, IL. From October 2022 to March 2024, Ms. Conrad served as President of 360 Painting based in Naperville, IL. From March 2019 to February 2021, Ms. Conrad served as VP of Marketing for Third Party Pet in Naperville, IL. Since January 2018, Ms. Conrad has served as owner of 360 Painting Naperville, in Naperville, IL and 360 Painting of Saint Charles in Saint Charles, IL.

Chief Financial Officer: J. Patrick Dannelly

Mr. Dannelly has served as Chief Financial Officer of PSB in Charlottesville, VA since April 2021. From

May 2019 to April 2021, Mr. Dannelly served as Interim Chief Financial Officer for Midway Dental Supply, LLC in Columbia, Maryland. From 2013 to May 2019, Mr. Dannelly served as Chief Financial Officer of Authority Brands in Columbia, Maryland.

Executive Vice President of Performance: Gabriel Colon

Mr. Colon has served as Executive Vice President of Performance at PSB in Charlottesville, VA and York, PA since June 2024. He was also the Interim Brand President of 360 Painting from August 2024 to March 2024. Mr. Colon was the Senior Vice President of Performance from October 2023 to June 2024. Since 2020, Mr. Colon has also served as Owner of 360 Painting of York County. Prior to PSB, he worked as Senior Channel Marketing Manager at Stanley Black and Decker from 2021 until October of 2023 based out of Towson, MD. Before that, he was National Sales Manager in 2020 at Stanley Black and Decker after his promotion from Regional Sales Manager in 2019.

General Counsel: Nathan King

Mr. King has served as General Counsel of PSB in Charlottesville, VA since July 2023. In June 2023, Mr. King was in between positions. From February 2023 to May 2023, Mr. King served as President of Sigora Solar, LLC in Charlottesville, VA. From February 2019 to January 2023, Mr. King served as General Counsel of Sigora Solar, LLC in Charlottesville, VA. From August 2021 to January 2022, Mr. King served as Counsel for Voors & Kenefick, P.C. in Scottsville, VA.

Vice President of Maid Right: Kate Horner

Ms. Horner has served as MR Franchisor's Vice President, Maid Right in Charlottesville, VA and Thompsons Station, TN since August 2024. Ms. Horner has also served as Vice President, The Grout Medic in Charlottesville, VA and Thompsons Station, TN since September 2023 to the present. Ms. Horner served as Franchise Business Coach for Premium Service Brands from March 2021 - September 2023. Ms. Horner served as Director of Operations, 360 Painting of Greater Nashville from January 2020-December 2020.

ITEM 3 LITIGATION

Our Litigation Disclosures

No litigation must be disclosed by us in this Item.

The Master Franchisor's or its Affiliate's Litigation

The following litigation relates to MR Franchisor's affiliates and/or its CEO, Paul Flick:

Pending Actions

Willett v. Window Gang, LLC and Paul Flick (U.S. District Court for the Western District of Virginia, Civil Action No. 3:25-cv-00044). On May 29, 2025, current Window Gang franchisee Willett filed this suit against the franchisor Window Gang, LLC and Paul Flick alleging actual fraud, constructive fraud, negligence per se, rescission, breach of contract and breach of an implied covenant of good faith and

fair dealing relating to Window Gang, LLC's alleged sale of a portion of territory to the franchisee that was already sold to an existing Window Gang franchisee. Franchisee seeks damages of \$320,000 and rescission of the franchise agreement as well as costs and attorneys' fees. On June 24, 2025, Window Gang, LLC filed its Answer denying liability to the franchisee and its counterclaims against the franchisee for breach of the franchise agreement, unjust enrichment, quantum meruit, trade secret misappropriation, violations of the Virginia Uniform Trade Secret Act, and injunctive relief preventing further misappropriation or unauthorized disclosure of Window Gang's trade secrets, as well as damages of \$75,000 and reimbursement for costs of litigation and any attorney's fees incurred. Window Gang, LLC intends to defend against all claims and to vigorously pursue its own counterclaims against the franchisee.

360 Painting, LLC v. Chshelokovskiy, et al. (U.S. District Court for the Western District of Virginia, Civil Action No. 3:25-cv-00032). On May 7, 2025, 360 Painting, LLC filed a complaint against former 360 Painting franchisee Andrey Chshelokovskiy and Nomad Contractors LLC d/b/a Nomad Coatings, a company offering services which are competitive with 360 Painting, LLC within the franchise area assigned to Chshelokovskiy, alleging breach of the franchise agreement, misappropriation of trade secrets under the Virginia Uniform Trade Secrets Act, conversion, and unjust enrichment. 360 Painting, LLC seeks damages of \$185,524.25, prejudgment interest and costs, as well as an injunction preventing unfair competition by enforcing the terms of the parties' franchise agreement, preventing further misappropriation or disclosure of 360 Painting, LLC's trade secrets, and ordering Chshelokovskiy to disgorge compensation, profits, or other remuneration received from Nomad Contractors LLC. On June 16, 2025, Chshelokovskiy and Nomad Contractors LLC filed an Answer to the Complaint denying liability for any of the causes of action pled against them, as well as asserting counterclaims against 360 Painting, LLC for fraud, fraudulent inducement, constructive fraud, negligence per se, equitable rescission, breach of contract, and breach of Virginia's Retail Franchising Act. Chshelokovskiy and Nomad Contractors LLC seek damages in the amount of at least \$508,389.73, plus punitive damages of \$350,000.00, rescindment of the franchise agreement and its related agreements, and repayment of all funds previously paid to 360 Painting, LLC under the franchise agreement, as well as reimbursement for costs of litigation and attorney's fees incurred.. 360 Painting, LLC intends to vigorously pursue its own claims against Chshelokovskiy and Nomad Contractors LLC and to defend against all counterclaims.

360 Painting, LLC v. Glenn A. Misiph et. al. (U.S. District Court, Western District of Virginia, Case No. 3:22-cv-00056-NKM). On September 27, 2022, 360 Painting, LLC filed a Complaint against former franchisee Glenn A. Misiph and AASK Services, LLC, the former unauthorized operator for franchisee, alleging breach of contract, unjust enrichment and quantum meruit, and seeking injunctive relief arising from the former terminated franchisee's unauthorized use of 360 Painting's Marks on an unauthorized website and the posting of content on the unauthorized website, which impairs the goodwill associated with 360 Painting's Marks. In addition, 360 Painting alleges breach of the franchise agreement arising from the operation of the 360 Painting franchise through AASK Services, LLC, an entity not a party to the franchise agreement, which used 360 Painting's Marks and other business systems without authorization. 360 Painting then filed an Amended Complaint alleging breach of the franchise agreement, unjust enrichment, quantum meruit, tortious interference with contract, misappropriation of trade secrets under Virginia's Uniform Trade Secret Act, Defend Trade Secret Act violations, statutory conspiracy under VA. Code § 18.2-500 and civil conspiracy to tortiously interfere with contract. The parties then agreed to litigate these claims made by 360 Painting, LLC in Massachusetts as part of the litigation presently pending as *Glenn Misiph et. al. v. 360 Painting, LLC et. al.* (U.S. District Court, District of Massachusetts, Case No. 1:22-cv-11778-AK). In this matter, Glenn Misiph and AASK Services, LLC, filed a Complaint on October 18, 2022 against 360 Painting, LLC, Premium Service Brands, LLC, and Paul Flick alleging fraud, fraudulent inducement,

negligent misrepresentation, and violations of the Massachusetts unfair business practices act arising from alleged pre-sale misrepresentations and omissions in 360 Painting's FDD, financial documents, other documents, and oral communications. Plaintiffs also allege breach of contract and breach of the implied duty of good faith and fair dealing arising from 360 Painting's alleged failure to provide services, failure to account for and use the marketing fund, and improper termination of Plaintiffs' franchise. Plaintiffs seek rescission of the franchise agreement, return of the \$54,000 initial franchise fee and all other payments made by Plaintiffs, \$217,999 in compensatory damages, treble damages, and attorneys' fees. On November 13, 2023, 360 Painting filed its counterclaims against Plaintiffs, alleging breach of the franchise agreement, unjust enrichment, quantum meruit, tortious interference with contract, trade secret misappropriation, violations of the Defend Trade Secrets Act, statutory business conspiracy, and common law conspiracy. 360 Painting's counterclaim complaint sought compensatory damages of no less than \$75,000, treble damages, punitive damages, and injunctive relief against the Plaintiffs. On December 22, 2023, 360 Painting filed its First Amended Counterclaims alleging substantially the same causes of action against Plaintiffs. The parties filed motions to dismiss one another's claims, which were heard by the Court on August 14, 2024. On August 16, 2024, the Court ruled on the motions and permitted the case to proceed on the claims filed by Plaintiffs, and the trade secret claims alleged by 360 Painting. The parties are presently exchanging discovery in advance of trial. 360 Painting intends to vigorously pursue its counterclaims against the Plaintiffs.

Rooterman, LLC v. Klodian Belegu, et al. (U.S. District Court, District of Massachusetts, Case No. 1:24cv- 13015). On December 5, 2024, PSB's subsidiary Rooterman, LLC filed a lawsuit and sought a preliminary injunction against former franchisee Klodian Belegu and Quality Air Care Corporation, a corporation owned by Belegu that operated certain of his franchises, alleging trademark infringement, unfair competition, dilution, violation of post-termination restrictive covenants and breach of the franchise agreements arising from the former franchisee's unauthorized use of Rooterman's Marks on an unauthorized website, and the former franchisee's failure to return proprietary and confidential information to Rooterman post-termination. In addition, Rooterman alleged trademark infringement against Belegu's other corporation, RM Water Damage Restoration LTD, an entity not a party to the franchise agreement, but which Belegu ran concurrently with his former franchise business. Rooterman then filed an Amended Complaint, which added a defendant, 911 Sewer & Drain, as Belegu was using this entity to violate Rooterman's statutory and contractual rights and unfairly compete. Defendants answered the complaint on February 18, 2025, and also asserted counterclaims against Rooterman, LLC, alleging fraudulent inducement, breach of contract, and violations of the Massachusetts unfair business practices act arising from the alleged failure to provide services, and alleged failure to register and police marks. Defendants further contests the validity of the Rooterman marks, claiming they should be cancelled for alleged abandonment and/or the granting of a naked license. Rooterman, LLC intends to vigorously pursue its own claims and vigorously defend against Belegu's counterclaims. The case is in its earliest stages, but the parties currently await the Court's ruling on Rooterman's motion for a preliminary injunction. Separate from the preliminary injunction matter, in *Rooterman, LLC v. Klodian Belegu, et al.* (American Arbitration Association, Boston Office, Case No. 012400090057), on December 16, 2024, PSB's subsidiary Rooterman, LLC filed an arbitration case against the same former franchisee Klodian Belegu and Quality Air Care Corporation, as well as the same entities identified in the federal case above, alleging the same substantive claims as in the federal case, and also adding claims against Belegu and Quality Air Care for failure to pay royalties, a claim which must be arbitrated per the parties' franchise agreement. This case is in its earliest stages as well, and the parties have just agreed upon an arbitrator. Rooterman, LLC intends to vigorously pursue its claims. 360 Painting intends to vigorously pursue its counterclaims against the Plaintiffs.

Litigation Against Franchisees in Last Fiscal Year and from January 1, 2023 to December 31, 2023

None

Prior Actions

360 Painting, LLC v. The DeGregorio, LLC, et al., (U.S. N.D. Ill., East. Div., Case # 1:21-cv-04577). Filing date: August 27, 2021. 360 Painting, LLC filed a Complaint against former franchisee Greg DeGregorio and several associated corporate entities based on Breach of Franchisee Agreement, Breach of Personal Guaranty, and Fraud/Negligent Misrepresentation based on former franchisee's royalty reporting. The parties entered into a settlement of all claims, with neither party admitting fault or liability, on December 24, 2021, pursuant to which 360 Painting paid \$21,000. An agreed dismissal order requesting a dismissal of all claims with prejudice was entered by the Court on January 11, 2022.

Deborah Carreno v. 360 Painting, LLC, et al. (U.S. District Court, Southern District of California, Case No. 19cv2239-LAB-BGS). On November 22, 2019, a former 360 Painting franchisee, brought an action against 360 Painting and other unnamed defendants, alleging breach of the implied covenant of good faith and fair dealing, negligent misrepresentation, intentional misrepresentation, unjust enrichment and unfair business practices. Generally, Plaintiff claimed that its difficulty in obtaining state licensing required to operate the franchised business constituted a default by 360 Painting of its responsibility to support Plaintiff in opening and operating the franchised business. Plaintiff also claimed that 360 Painting was obligated to provide advertising materials which were specifically adapted to California's requirements. Plaintiff also claimed that 360 Painting failed to provide sufficient field training. Plaintiff sought unspecified compensatory and special damages, litigations costs and other relief. The parties entered into a settlement of all claims in November 2021, pursuant to which 360 Painting agreed to pay Plaintiff \$57,500. Both parties claims were dismissed with prejudice by Order dated November 18, 2021.

Dispatch Technologies, Inc. v. Premium Service Brands, LLC (case #1984CV01003, The Superior Court, Suffolk County, Trial Court of Massachusetts, filed March 29, 2019). Plaintiff was a CRM software vendor that filed claims for breach of contract, breach of a covenant of good faith and fair dealing and unfair and deceptive trade practices and seeking unspecified damages and attorneys' fees relating to unpaid fees for services rendered after a dispute arose regarding the vendor's lack of performance under a vendor contract. The parties settled on May 20, 2019 with Premium Service Brands, LLC agreeing to pay \$190,000 to mutually terminate the contract and be able to pursue a new CRM vendor. The suit was fully dismissed on June 7, 2019.

YP, LLC d/b/a yellowpages.com, LLC v. 360 Painting, LLC (case # 17CV7398, Superior Court of Dekalb County, State of Georgia, filed July 17, 2017). Plaintiff was an advertising vendor that filed claims for a statement of account, breach of contract and unjust enrichment after a dispute regarding the vendor's performance under a yellow pages advertising contract. 360 Painting, LLC brought counterclaims on October 16, 2017 for breach of contract, negligent misrepresentation and attorneys' fees on the basis that the plaintiff failed to perform under the contract. The parties settled all claims with 360 Painting, LLC agreeing to pay (via installments) \$21,000 of the alleged \$37,765.19 outstanding principal account balance due, and the lawsuits were mutually dismissed on August 27, 2018.

MMG-360 LLC, et al. v. Paul Flick, Home Service Franchising, Inc., 360 Painting LLC, Maintenance Made Simple LLC, et al. (Case No. CV-11-752725, Court of Common Pleas, Cuyahoga County, Ohio). On April 6, 2011, Plaintiff brought an action against Defendants alleging fraud in the inducement and seeking

refund of Plaintiff's purchase price in a transaction in which Plaintiff entities purchased assets of Defendant entities for \$140,000, which transactions were rescinded shortly after their occurrence; fraud and breach of contract based on the rescission or settlement agreement entered into between Plaintiffs and Defendants in which Plaintiffs agreed to accept \$100,000 from Defendants in full repayment of the \$140,000 original purchase price paid by Plaintiffs; and seeking declaratory judgment that certain ancillary agreements were canceled and terminated and that exclusive control over Plaintiff entities revert to Plaintiff Merry Meeting, Inc. Plaintiffs and Defendants filed cross motions for summary judgment. Plaintiff's summary judgment motion was granted control over Plaintiffs MMG-360, LLC; MMG-MMS, LLC; and MMG-MC, LLC was returned to Plaintiff Merry Meeting, Inc. The parties originally agreed in principal to settlement terms in July 2013 calling for Defendants 360 Painting, LLC and Flick to pay \$100,000 to Plaintiffs in exchange for full general releases by all parties, but the settlement was never finalized. Defendants 360 Painting, LLC and Flick later contacted Plaintiffs in 2020 and the parties signed a formal settlement agreement dated May 26, 2020 under which Defendants paid \$100,000 to Plaintiffs on June 2, 2020 in exchange for full general releases.

Governmental Actions

In the Matter of 360 Painting, LLC f.k.a. 360 Painting, Inc., and Paul Flick, Administrative Proceeding Before the Securities Commissioner of Maryland, Case No. 2015-0477, as modified by Order Modifying Consent Order dated January 4, 2017. On or about February 23, 2016, the Securities Division of the Office of the Attorney General of the State of Maryland initiated an investigation into the franchise related activities of 360 Painting, LLC and Paul Flick. On August 18, 2016, the defendants entered into a Consent Order with the Securities Commissioner, in which they agreed, without admitting or denying any of the Commissioner's statements of fact or conclusions of law, except as to the Commissioner's jurisdiction in the proceeding, (1) to immediately and permanently cease and desist from the offer and sale of franchises in violation of the Maryland Franchise Registration and Disclosure Law; (2) to promptly file with the Securities Division and diligently pursue the completion of an initial application to register the 360 Painting franchise offering in Maryland; and (3) to send offers of rescission to two Maryland Franchisees, offering them the right to rescission of their 360 Painting franchise agreements and to obtain a refund of initial franchise fees. In an Order Modifying Consent Order dated January 4, 2017, the Consent Order was modified so that 360 Painting was not required to register its 360 Painting franchise offering in Maryland as long as no offers or sales of 360 Painting franchises were made in Maryland or to any Maryland residents. In the Consent Order, the Commissioner concluded that defendants had violated §§ 14-214, 14-216, 14-228 and 14-229 of the Maryland Franchise Registration and Disclosure Law by offering and selling franchises in Maryland and to Maryland residents while not registered to offer and sell franchises in Maryland and using a Franchise Disclosure Document that failed to set forth all information the Securities Division requires to be included in a Maryland registered Franchise Disclosure Document under the Maryland Franchise Registration and Disclosure Law and Maryland's Franchise Regulations. Specifically, the Commissioner found that, in the Franchise Disclosure Documents distributed to the Maryland Franchisees, defendants had failed to disclose the lawsuit filed by Leslie Owens Brown referenced above in Item 3. 360 Painting has corrected this error. The two Maryland Franchisees accepted the rescission offer.

In the Matter of 360 Painting, LLC, No. 20-AVC-F001, investigation by Illinois Attorney General's Office. In January 2020, the Illinois Attorney General's Office began an investigation of potential violations of the Illinois Franchise Disclosure Act by 360 Painting regarding its failure to obtain a signed Illinois amendment to the franchise agreement for Illinois franchises between April 2017 and December 2019. 360 Painting did not contest that Illinois amendments were not executed by Illinois

franchisees during this period, but asserted that: (a) each Illinois franchisee received a properly registered franchise disclosure document, including an addendum to the disclosures and an amendment to the franchise agreement containing modifications required by Illinois law; and (b) because each franchisee received the required disclosures, the failure to obtain executed amendments from each franchisee could not have affected the franchisees' decision to purchase the franchise. The Illinois Attorney General asserted that because 360 Painting brought suit against an Illinois franchisee in Virginia (before unilaterally dismissing the case by filing a Motion to Non-Suit), Illinois franchisees were harmed. On May 22, 2020, 360 Painting entered into an Assurance of Voluntary Compliance ("AVC"), under which 360 Painting agreed to offer affected franchisees the opportunity to rescind their franchise agreements, make a \$6,000 payment to the state, disclose the AVC in its disclosure document, and comply with the Illinois Franchise Disclosure Act in the future.

In the matter of Commonwealth of Virginia, ex. rel. State Corporation Commission v. 360 Painting, LLC, No. SEC-2020-00055, investigation by the Virginia State Corporation Commission. In 2020, the Virginia State Corporation Commission began an investigation of potential violations of the Virginia Retail Franchising Act Rules of the Virginia Administrative Code, 21 VAC 5-110-10 et seq. *the "Act"), regarding alleged failures to disclose necessary litigation, administrative, or material civil actions involving 360 Painting or Flick, in its 2017-2020 Franchise Disclosure Documents ("FDD's"). 360 Painting contested whether the litigation was required to be included in the relevant FDD's and neither admitted nor denied the SCC's allegations. On March 2, 2021, an agreed Settlement Order was entered by the State Corporation Commission's Clerk's Office under which 360 Painting agreed to pay \$10,000 in monetary penalties, \$1,000 to defray costs of investigation, and agreed not to violate the Act in the future.

In The Matter of the Commissioner of Financial Protection and Innovation v. 360 Painting, LLC, Pro-Lift Doors Franchise, LLC, Maid Right, LLC, Handyman Pro, LLC, Kitchen Wise, LLC, Renew Crew, LLC, Rubbish Works, LLC, and Paul Flick, an individual, Administrative Proceeding Before the Department of Financial Protection and Innovation of the State of California, File Origination ID 33649, 26267, 110487, 293487, 292987, 339827, 99696, 365318, 403947, Consent Order dated November 19, 2021. In early 2021, the Commissioner of Financial Protection and Innovation ("Commissioner") opened an informal inquiry regarding alleged failures by defendants to disclose certain litigation, administrative, or material civil actions involving defendants in their Franchise Disclosure Documents ("FDD's") as well as related allegations of misrepresentations and omissions in connection with defendant 360 Painting, LLC's 2017 FDD and related sales activities in California. Defendants contested the Commissioner's allegations, but on November 19, 2021, the defendants elected to enter into a Consent Order with the Commissioner, in which they agreed, without admitting or denying any of the Commissioner's statements of fact or conclusions of law, (1) to immediately and permanently cease and desist from the offer and sale of franchises in violation of the California Franchise Investment Law; (2) to pay penalties of \$72,500 and costs of \$10,500 to the Commissioner; (3) to disgorge all initial franchise fees paid by California franchisees to defendant 360 Painting, LLC and refrain from enforcing or collecting judgments against California franchisees; (4) to disclose to the Commissioner pending and concluded governmental agency matters, pending and concluded administrative, criminal and civil actions against defendants and bankruptcies and debt discharges filed by defendants; (5) to a stop order related to the effectiveness of defendant's 2021 California applications; and (5) to a bar order against defendant Paul Flick from offering or selling franchises or filing franchise registrations in California for 36 months.

In the matter of determining whether there has been a violation of the Franchise Investment Protection Act of Washington by: 360 Painting, LLC, and In the matter of determining whether there has been a violation of the Franchise Investment Protection Act of Washington by: Pro-Lift Doors Franchise, LLC.

State of Washington Department of Financial Institutions Securities Division, Order No. S-22-3399-22- C001, Consent Order dated October 4, 2022. In May 2022, the Securities Division of the Washington Department of Financial Institutions (DFI) began conducting an investigation regarding the offer and sale of franchises by Premium Service Brands, LLC and other entities to determine whether there have been any violations of the Washington Franchise Investment Protection Act (RCW 19.100). Following informal discussions with the DFI, effective October 4, 2022, 360 Painting, LLC and Pro-Lift Doors Franchise, LLC elected to enter into separate Consent Orders with the DFI, in which they each agreed, without admitting or denying any of the DFI's statements of fact or conclusions of law, (1) to cease and desist from any violation of RCW 19.100.170; and (2) to pay investigative costs of \$2,000.

In the Matter of 360 Painting, LLC, and Paul Flick, Administrative Proceeding Before the Securities Commissioner of Maryland, Case No. 2022-0226. In December 2022, the Securities Division of the Office of the Attorney General of the State of Maryland initiated an investigation into the franchise related activities of 360 Painting, LLC and Paul Flick. On April 19, 2023, 360 Painting, LLC and Paul Flick entered into a Consent Order with the Securities Commissioner, in which they agreed, without admitting or denying any of the Commissioner's statements of fact or conclusions of law, except as to the Commissioner's jurisdiction in the proceeding, (1) to immediately and permanently cease and desist from the offer and sale of franchises in violation of the Maryland Franchise Registration and Disclosure Law; (2) to pay to the Office of the Attorney General in conjunction with this Consent Order the sum of \$50,000 as a civil monetary penalty; and (3) that the Consent Order is a disclosable order as described under the Maryland Franchise Law, and Item 3 of the NASAA Franchise Registration and Disclosure Guidelines and Amended FTC Franchise Rule. In the Consent Order, the Commissioner concluded that defendants had violated §§ '14-216, 14-220, 14-229, and 14-230 of the Maryland Franchise Law and an order of the Securities Commissioner by failing to disclose certain lawsuits in Franchise Disclosure Documents filed with the Securities Division in 2017 to 2019.

Other than these actions, no litigation is required to be disclosed in this Item.

ITEM 4 BANKRUPTCY

No bankruptcies must be disclosed for us in this Item.

The Master Franchisor's or its Affiliates Bankruptcy Disclosures

No bankruptcies must be disclosed in this Item for Master Franchisor.

ITEM 5 INITIAL FEES

Initial Franchise Fee

When you sign your Franchise Agreement, you must pay us an initial franchise fee (the "Initial Franchise Fee"). This fee ranges from \$3,600 (if 10% discount is applied) to \$43,800, depending on

the Guaranteed Gross Monthly Revenue of the Initial Plan you purchase. The Initial Plans are described below. If you pay the Initial Franchise Fee in full when you sign the Franchise Agreement without financing), we will discount the amount of the Initial Franchise Fee (ranging from \$4,000 - \$43,800) by 10%.

We may, at our option, finance a portion of the Initial Franchise Fee to help you purchase your Franchise. If we do so, you must make a down payment of \$1,600 to \$7,800, depending on the Initial Plan you choose, when you sign the Franchise Agreement. You must pay the balance, ranging from \$2,400 to \$36,000, in monthly installments of \$100 per month by way of an additional deduction from your monthly statement. Your monthly installments start only when you begin servicing Customers. Once you have made the required payments to pay the balance, we will stop the deduction.

Initial Plans

We offer 7 different Franchise plans (each, an "Initial Plan"). Each Initial Plan represents a different amount of "Guaranteed Gross Monthly Revenue." "Guaranteed Gross Monthly Revenue" is the total monthly revenues from any Customers that you service from time to time.

Initial Franchise Plans						
Plan #	Annual Revenue	Initial Franchise Fee	If You Finance The Initial Franchise Fee			If Paid In Cash (10% Discount)
			Down Payment	Amount Financed	Approximate Monthly Payment (Based on 24 Months)	
FP-500	\$6,000 (\$500 per month)	\$4,000	\$1,600	\$2,400	\$100	\$3,600
FP-1,000	\$12,000 (\$1,000 per month)	\$6,600	\$3,000	\$3,600	\$150	\$5,940
FP-2,000	\$24,000 (\$2,000 per month)	\$10,800	\$3,600	\$7,200	\$300	\$9,720
FP-4,000	\$48,000 (\$4,000 per month)	\$18,600	\$4,200	\$14,400	\$600	\$16,740

FP-6,000	\$72,000 (\$6,000 per month)	\$27,000	\$5,400	\$21,600	\$900	\$24,300
FP-8,000	\$96,000 (\$8,000 per month)	\$35,400	\$6,600	\$28,800	\$1,200	\$31,860
FP-10,000	\$120,000 (\$10,000 per month)	\$43,800	\$7,800	\$36,000	\$1,500	\$39,420

*** Your Guaranteed Gross Monthly Revenue does not reflect the costs of sales and operating expenses that must be deducted from Guaranteed Gross Monthly Revenue to get your net income or profit.**

Once you accept a Customer, we transfer ownership of the Customer's account to you, and the Customer remains your Customer unless returned to us as follows. A Customer will immediately return to us if the Customer requests verbally or in writing (including by email) that his or her services be terminated or serviced by another franchisee; you provide cleaning services or similar supplies to a Customer outside of your Franchise Agreement; your Franchise Agreement is terminated; you otherwise stop being a MAID RIGHT franchisee; or you no longer want to service the Customer.

You will review each new Customer and decide for yourself whether or not you will accept that Customer. If you reject a Customer, we will have a reasonable amount of time to offer you other Customers equal to the value of the rejected Customer, which may take longer than our original time commitment to you. We may later offer you additional Customers without reference to any time frame.

If, within 6 months from the date that you begin providing services for a Customer, the Customer terminates your services for any reason other than your misconduct, or you stop servicing a Customer because the Customer does not pay, we will, within a reasonable time, offer to replace the Customer with other Customers that are either, at our election:

- (a) at least the amount of the Guaranteed Gross Monthly Revenue of the terminated Customer, for the time period left in the terminated Customer's 6 months, or
- (b) at least the amount of the Guaranteed Gross Monthly Revenue of the terminated Customer, *less the amount paid by the terminated Customer for services you rendered* (if we select this option, the duration of the replacement obligation for the replacement Customer is 6 months from the *replacement Customer service Start Date*).

For example, if a terminated Customer's Guaranteed Gross Monthly Revenue is \$400 per month, and you provided services for 4 months before the Customer terminates, you have received Customer value of \$1,600. We will replace the Customer with Customers that provide the remaining \$800 in Guaranteed Gross Monthly Revenue during the 6 months after you start servicing the new Customer.

If a replacement Customer provides Guaranteed Gross Monthly Revenue that is greater than the amount that we are required to offer, you must pay us the Revenue Acquisition Fee for the excess.

If a Customer terminates your services at any time after 6 months from the date you begin providing services for that Customer, we are not obligated to replace that Customer, no matter

what the reason for termination.

Our Time To Fulfill The Initial Plan

For an Initial Plan of \$500, \$1,000, \$2,000 or \$4,000 in Guaranteed Gross Monthly Revenue we have 120 business days after your Start Date to offer you Customers with the required Guaranteed Gross Monthly Revenue. For an Initial Plan of \$6,000 in Guaranteed Gross Monthly Revenue, we have 140 business days after your Start Date to offer you Customers with the required Guaranteed Gross Monthly Revenue. For an Initial Plan of \$8,000 in Guaranteed Gross Monthly Revenue we have 160 business days after your Start Date to offer you Customers with the required Guaranteed Gross Monthly Revenue. For an Initial Plan of \$10,000 in Guaranteed Gross Monthly Revenue, we have 180 business days after your Start Date to offer you Customers with the required Guaranteed Gross Monthly Revenue. In each case, this time period will be extended if you reject a Customer, or lose a Customer (other than for your misconduct), or we discontinue your services to a Customer because we determine that you need additional training, or if you default under your Franchise Agreement. See Section 1.2 of the Franchise Agreement for more information.

Reductions of Initial Franchise Fee

If we fail to offer you initial Customers with the Guaranteed Gross Monthly Revenue required under your Franchise Agreement within the agreed-on time, we will reduce the Initial Franchise Fee by the Adjustment Amount (defined below).

The “Adjustment Amount” is the difference between the Initial Franchise Fee for the Initial Plan you purchased and the Initial Franchise Fee for the Initial Plan we actually offered. We will apply the Adjustment Amount first to reduce any amounts you owe us (including under a Promissory Note) and any remaining amount will be refunded to you. Other than this, the Initial Franchise Fee is not refundable for any reason.

If the Initial Plan we offer to you is not one of the standard Initial Plans as shown above, we use a formula to determine the Adjustment Amount. For example, if you purchase a FP-8,000 (\$8,000 of estimated Guaranteed Gross Monthly Revenue), the Initial Franchise Fee is \$35,400. If we offer you Customers with Guaranteed Gross Monthly Revenue that only total \$7,000 (which is between the FP-6,000 and FP-8,000, the marginal rate (“Marginal Rate”) between the FP-6,000 and the FP-8,000 is 420%. Here is the calculation:

- The difference between the Initial Franchise Fees for FP-8,000 and FP-6,000 is \$8,400 (\$35,400 – \$27,000)
- The difference between the Guaranteed Gross Monthly Revenue for FP-8,000 and FP-6,000 is \$2,000 (\$8,000 - \$6,000)
- The Marginal Rate is calculated as $\$8,400 \div \$2,000 = 420\%$
- The Initial Franchise Fee for the actual Customers offered to you would be:
 - the FP-6,000 Initial Franchise Fee of \$27,000
 - PLUS the amount above \$6,000 in Guaranteed Gross Monthly Revenue of \$1,000 (\$7,000 offered - \$6,000), multiplied by the Marginal Rate of 420% = \$4,200
- The Initial Franchise Fee of the Initial Plan that we actually offered would therefore be $\$27,000 + \$4,200 = \$31,200$. Your refund would be $\$35,400 - \$31,200 = \$4,200$. If you financed your Initial Franchise Fee, the refund amount will be deducted first from any remaining balance under your Promissory Note.

Your “Start Date” is the date you successfully complete our initial Certification Program (as defined in Item 11), get all licenses and permits required by law to operate your Franchise, get the initial equipment and supplies package (the “Initial Equipment Package”), get the required insurance coverage, and, fulfill reasonable conditions that we may impose before beginning to operate your Franchise.

ITEM 6 OTHER FEES

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Revenue Acquisition Fee (for additional Customers beyond your Initial Plan)	30% of the expected Gross Monthly Revenue for the new Customer for the first 12 months (excluding Special Services)	One lump sum or payments over 6 to 36 months	“Gross Monthly Revenue” means the total revenues received from all Customers for services you provided under the Marks. See Section 5.1.1 of the Franchise Agreement for more information on what Gross Monthly Revenue includes.
Special Services Revenue Fee	15% of your Gross Monthly Revenue for Special Services for the previous month	Monthly	“Special Services” are special or isolated cleaning services performed as one-time services or less than once per month. You do not pay the Revenue Acquisition Fee on Special Services.
Royalty Fee	15% of your Gross Monthly Revenue for the previous month	Monthly	You must pay this fee to continue to use the System and Marks under your Franchise Agreement.
Support Fee	15% of your Gross Monthly Revenue for the previous month	Monthly	You must pay this fee for our services of providing payment and collection processing, initial and ongoing training, monthly reporting, and quality management of compliance to the Systems policies, procedures and operating standards.

Complaint Fee and Service Fee	\$50 for the Complaint Fee; \$50 per person an hour, plus expenses (including materials, supplies, and equipment) for the Service Fee	When Complaint is made	You must pay us a Complaint Fee for each Customer Complaint. A "Complaint" is a customer complaint to which you did not respond in accordance with the customer agreement or our then-current branded warranty program. You also must pay us a Service Fee to compensate us for the cleaning services that we hired a third party to perform to fix the Complaint.
Substitution Fee	The customer's payments for the substituted services	You do not pay us these fees; the customer pays us.	We may assist you by providing substitute contractors to perform your cleaning services. If our substitute contractors perform these services, the customer will pay us and we will pay the substitute contractor, so you will not get any payments from the customer for these services.
Renewal Fee	\$1,500	Before the start of the renewal term	You must pay us a Renewal Fee for renewing your Franchise Agreement.
Transfer Fee	The greater of: \$1,500 or 8% of your total Gross Monthly Revenue for the 12 full calendar months before the transfer	Before the transfer	If you transfer your Franchise, you must pay us a Transfer Fee. If we require the transferee to enter a new Franchise Agreement, the transferee will not pay any initial franchise fee. If the transfer is to your business entity, your partner or a member of your immediate family, the Transfer Fee is reduced to \$100.
Key Return Fee	\$500 for each day that you do not return customer keys	On demand	When your Franchise Agreement expires or terminates, you must immediately give us or the customer (as each customer decides) all keys, security codes, and any other means of access to your customers' homes. You also must do this if you stop servicing any customer.

Replacement Manager Certification Fee	\$250	Before attendance	All of your managers must attend our Certification Program. You must pay the costs your manager incurs in attending the Certification Program. We may charge a reasonable fee after we have provided the Certification Program for 4 of your representatives.
Interest	The lesser of: (i) 18% per annum; or (ii) the maximum rate of interest permitted by law	On demand	If you don't pay us on time, interest accrues from the due date until the amount is paid in full.
Business Protection Program	Amount of the premium, fees payable to us for administering program, and other related and incidental costs	On demand	We may allow you to participate in a group insurance plan (the "Business Protection Program") that provides general liability insurance, workers' compensation insurance (where available), and bonding to us and our participating franchisees through an insurance company that names us and you as insureds. If we do, and you elect to participate in the Program, you must pay us these amounts.
Indemnification	All amounts we have to pay	On demand	If we or the Master Franchisor has to pay any amounts because of something you did, you must pay us back. Examples of amounts covered by this indemnity include claims relating to: your or your employee's car accident; you being determined to be our employee by any federal or state agency; and your failing to act as an independent business owner or failing to pay any income, unemployment, or payroll tax or file any return relating to being an independent business owner.

Reimbursement for Performing Your Obligations	Amount we pay, plus interest at the Contract Interest Rate beginning on the 10th day after we request reimbursement	On demand	If you breach your Franchise Agreement, we have the right (but not the duty) to perform your obligations for you. If we do, you must pay us back.
Lost Manual Fee	\$200 for each replaced Manual	Before we provide you with the replacement Manual	If you lose any of the Manuals (even if stolen or destroyed), we will loan you a replacement copy of each Manual.
Insurance	The cost of the insurance, plus interest at the Contract Interest Rate, plus a reasonable fee for our expenses	On demand	If you do not get and keep the insurance required by your Franchise Agreement, we have the right (but not the duty) to get that insurance for you. If we do, you must pay us these amounts.
Testing Fee	The reasonable cost of the inspection and the actual cost of the testing	On demand	If you propose to purchase or lease any equipment, supplies, inventory or other products or services from an unapproved supplier, or that do not comply with our specifications, you must pay us this amount for inspecting and testing.
Liquidated Damages	The total of all Royalty Fees and Support Fees for the lost Customers for 12 months.	On demand	If you violate Section 17.1.1 of the Franchise Agreement, you must pay to us a lump sum payment (as liquidated damages for causing the loss of Customers and not as a penalty).

All fees in the above chart are imposed by and paid to us. All fees are uniformly imposed and collected and nonrefundable.

Collections and Payment Processing

We will accept and process payments from your Customers. We collect the money due from Customers and deduct Revenue Acquisition Fees, Special Services Revenue Fees, Royalty Fees, Support Fees, and any other money then due to us (including under any Promissory Note). By the 15th day of each month, we pay you the net amount your Customers paid the previous month (after deducting the amounts due us).

Additional Customers

We may offer you additional recurring Customers (not included in your original Initial Plan) ("Additional Customers"). You may review each Additional Customer and decide whether you wish to take it. To get Additional Customers, you must pay us a Revenue Acquisition Fee. The Revenue Acquisition Fee for each Additional Customer is calculated as 30% of the expected Monthly Revenue for that Customer for the first 12 months. You may pay this Revenue Acquisition Fee either in a lump sum or in payments spread over 6 to 36 months as you and we agree. We will transfer ownership of the Additional Customer to you on your written acceptance of the Additional Customer.

If, within 6 months from the date that you begin providing services for an Additional Customer, the Additional Customer terminates your services for any reason other than your misconduct, or you stop servicing an Additional Customer because the Additional Customer does not pay, we will, within a reasonable time, offer to replace the Additional Customer with other Customers that are either, at our election:

(a) at least the amount of the Guaranteed Gross Monthly Revenue of the terminated Additional Customer, for the time period left in the terminated Customer's 6 months, or

(b) at least the amount of the Guaranteed Gross Monthly Revenue of the terminated Additional Customer, *less the amount paid by the terminated Customer for services you rendered* (if we select this option, the duration of the replacement obligation for the replacement Customer is 6 months from the *replacement Customer service Start Date*).

If an Additional Customer terminates your services at any time after 6 months from the date you begin providing services for that Additional Customer, we are not obligated to replace that Additional Customer, no matter what the reason for termination.

ITEM 7 ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT					
Type Of Expenditures	Amount		Method Of Payment	When Due	To Whom Payment Is To Be Made
	Low	High			
Initial Franchise Fee*	\$3,600	\$43,800	Pay in Full	When you sign your Franchise Agreement	Us
Travel and Living Expenses While Training (1)	\$50	\$100	As Arranged	During Training	Parking facilities, Restaurants, Gas stations
Office Supplies and Related Expenses (2)	\$150	\$550	Pay in Full	As Incurred	Vendors
Vehicle (3)	\$0	\$1,000	If Needed	As Incurred	Third Party
Smart Phone (4)	\$500	\$1,400	Pay in Full	Before Opening	Third Party
Real Estate (5)	\$0	\$550	As Incurred	As Incurred	Landlord

Insurance (6)	\$300	\$7,000	Pay in Installments	As Incurred	Us or Insurance Company
Legal & Organizational Costs (7)	\$500	\$3,000	Pay in Full	Before Opening	Government Agencies and Attorneys
Additional Funds (3 Months) (8)	\$400	\$800	As Incurred	As Incurred	Employees, government agencies, insurance company, third parties
Total Initial Investment	\$5,500	\$58,200			

* We may finance up to 60% of the Initial Franchise Fee for qualified franchisees. If we do so, you must make a down payment of \$1,600 to \$7,800, depending on the Initial Plan you choose, when you sign the Franchise Agreement. You must pay the balance, ranging from \$2,400 to \$36,000, in monthly installments of \$100 per month. You will not pay interest in connection with this financing. See Items 5 and 10 for more information about this financing.

(1) This estimate includes only local travel between your home and a local site where training takes place.

(2) This item covers additional phone costs, office/administrative supplies, uniforms and in some cases, additional cleaning supplies.

(3) You need a vehicle for transportation to and from the customer homes you service. You typically use your personal vehicle for this purpose. The monthly cost will vary based on the make, model, and condition of your vehicle, financing arrangements, area in which the vehicle will be used, and the like.

(4) You will need to purchase a smart phone to manage your schedule and process certain types of customer payments. The cost of the phone will vary based on the phone's make and model and should cost between \$400 and \$800. The monthly cost for phone service will vary by carrier and should range from \$100 to \$200 per month.

(5) Typically you use your residence as an office and storage facility for your Franchise. You can, however, rent storage space costing about \$40 - \$75 per month. You also can rent a 10' x 12' office, unfurnished, for about \$120 - \$260 per month, or furnished at about \$210 - \$475 per month. These costs vary depending on your location and general availability of office space.

(6) See Item 8 for the required insurance.

(7) You must form a business entity from which you will operate your Franchised Business. You must get business licenses and permits from various state and local agencies.

(8) This is only an estimate of the expenses for your initial start-up phase. The additional funds you will need to operate during this phase include your payroll costs, rent (if any), utilities (if any), and transportation costs to service your customers. These estimates do not include any salary or allowance for you; any Revenue Acquisition Fees, Special Services Revenue Fees, Royalty Fees, Support Fees, or any other amounts you must pay us; or any additional supplies you may need after your initial inventory is consumed. We cannot guarantee that you will not have additional expenses starting your business. The actual amount of additional funds you will need during the initial phase of operating will depend on factors such as: the size and location of your Franchise, how much you follow our methods and procedures; your management skill, experience, and business ability; local

economic conditions; the local market for Maid Right cleaning services; the prevailing wage rate, and other factors. By providing these estimates of your costs, we are not making any representation that you will have any level of sales. The estimates are of your expenses only and do not reflect any offsetting sales revenue you may earn from operations to pay those expenses.

We relied on our experience in the franchising of regional master franchises that provide cleaning and maintenance services to compile these estimates. Please note that both we and our Master Franchisor have limited experience in the residential cleaning industry. You should review these figures carefully with a business advisor before making any decision to purchase the Franchise. None of the expenses listed in the above chart are refundable.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Purchasing Requirements

You are not required to buy or lease equipment, chemicals, supplies, inventory, advertising materials, and any other products and services used to operate your Franchise directly from us or persons affiliated with us. However, you must buy or lease equipment, chemicals, supplies, inventory, advertising materials, and any other products and services used to operate your Franchise in accordance with our written requirements or as your customers otherwise designate. These requirements include standards for quality, safety, OSHA compliance, cleaning efficiency and economy, and any other standards we think appropriate for the Franchise. We are an approved supplier (but not the exclusive supplier) for the equipment, chemicals, insurance, uniforms and cleaning supplies that you must buy or lease for the operation of your Franchise. No persons affiliated with us are an approved supplier of any required products and/or services. No franchisor officer owns an interest in any supplier.

Approval of Alternative Suppliers

If you propose to purchase or lease any equipment, supplies, inventory or other products or services from an unapproved supplier, or that does not comply with our specifications, you must submit a written request for our approval, or request the proposed supplier itself to do so. As a condition of our approval, which we may grant or withhold or revoke in our sole discretion, we may require that our representatives be permitted to inspect the proposed supplier's facilities, and that samples from the supplier be delivered, at our option, either to us or to an independent, certified laboratory we designate for testing. For products involving new specifications, we may likewise require that samples of those products be delivered either to us or to an independent, certified laboratory we designate for testing. We are not liable for damage to any sample that may result from the testing process. You must pay a charge not to exceed the reasonable cost of the inspection and the actual cost of the testing.

We may, at our option, reinspect any approved supplier's facilities and products and continue to sample the products at the supplier's expense. We may revoke approval on the supplier's failure to continue to meet our specifications. We also may require as a condition to our approval, that the supplier present satisfactory evidence of insurance, such as product-liability insurance, protecting us

and you against all claims arising from the use of the supplied item(s) within the System. We will exercise reasonable efforts to approve or disapprove your proposal within 30 days after we receive your written request for approval.

Authorized manufacturers and suppliers must demonstrate, to our continuing satisfaction, that they possess, among other things: the ability to meet our reasonable standards and specifications; and adequate quality controls and capacity to supply your needs promptly and reliably. When considering whether to approve suppliers for the System, we may consider any other relevant factors, including any factors relating to the price and quality of the products or services and the supplier's reliability. We may approve a single supplier for any brand and may approve a supplier only as to a certain brand or brands. We may concentrate purchases with one or more suppliers to obtain the lowest prices or the best advertising support or services for any group of franchised businesses. We may condition our approval of a supplier the frequency of delivery, standards of service, including prompt attention to complaints, and concentration of purchases. Our approval may be provisional, pending our further evaluation of the supplier. We may revoke our authorization at any time in writing.

Purchases In Accordance With Our Specifications

You must purchase or lease certain equipment, chemicals, supplies, inventory, advertising materials, and any other products and services used to operate the Franchise only in accordance with our specifications. For example, you must purchase or lease certain equipment, insurance and computer hardware and software for your Franchise in accordance with our specifications. Specifications that we have formulated for these items are in our Manual. We may modify these specifications on reasonable written notice to you. We will consider your written request for a modification of a specification, if you explain the reason for the requested modification (or for the approval of any product or service we have not previously approved) and provide us with sufficient technical data to enable us to evaluate your request. We will provide you with notification of approval or disapproval within 30 days after receipt of your request. We will approve a request if we determine that a modified specification is appropriate or that any product or service meets our specifications then in effect. We may perform tests to determine if any equipment or products meet our specifications. We will charge you a fee to cover our out-of-pocket expenses, plus our then- current per diem charges for our personnel, for any required testing or inspection.

Insurance

You must have the types and amounts of insurance that we require. This insurance is in addition to any other insurance that you must have by law or otherwise. At a minimum, these policies include the following:

- janitorial bonding of at least \$25,000;
- workers' compensation insurance for you and all of your employees with a minimum coverage of \$100,000 or the minimum state law coverage, whichever is higher, and all unemployment insurance required under state and federal laws to maintain a proper unemployment insurance customer account; and
- comprehensive general liability insurance covering property damage, loss and personal injury of at least \$1,000,000 per occurrence, \$2,000,000 in the aggregate, and automobile liability with a minimum coverage of \$1,000,000, personal injury and property

damage insurance.

These policies must be written by an insurance company reasonably satisfactory to us with a Best rating of "A-" or better, and, to the extent permitted by law, must name us and the Master Franchisor as additional insureds. We can adjust the amounts of insurance required under these policies and require different or additional kinds of insurance, including excess liability insurance. We may do this to protect against inflation, new risks, changes in law or standards of liability, greater damage awards, or other relevant changes in circumstances.

The Business Protection Program

We may allow you to participate in a group insurance plan (the "Business Protection Program") that provides general liability insurance, workers' compensation insurance, and bonding to us and our participating franchisees through an insurance company that names us and you as insureds.

Smart Phone

You will need to purchase a smart phone to manage your schedule and process certain types of customer payments. The cost of the phone will vary based on the phone's make and model and the monthly cost for phone service will vary by carrier. You also must purchase ongoing data service for your smart phone. You may select the carrier for your ongoing service.

Revenues Derived from Required Purchases and Leases

In our fiscal year ending December 31, 2024, our revenues from the sale of equipment, chemicals, supplies, insurance and uniforms to franchisees was \$7,722 or 0.43% of our total revenues, which were \$1,770,251. In addition, the Master Franchisor also may derive some revenues from unit franchisees' purchases of equipment and other items. In Master Franchisor's 2024 fiscal year, Master franchisor derived revenues of \$0 from franchisee purchases and leases of contact center services and the technology services which was 0% of Master Franchisor's total revenue of \$2,051,140. None of Master Franchisor's affiliates derived any revenue from franchisee purchases in Master Franchisor's 2024 fiscal year.

Magnitude of Required Purchases

The cost of all goods and services purchased in accordance with our specifications will range from 65% to 80% of your total purchases in starting your Franchise and range from 15% to 40% of your total purchases during the operation of your Franchise. The range is based on the Initial Plan you purchase and estimated Gross Billing.

Supplier Rebates

We receive no rebates or discounts as a result of franchisee purchases.

No Purchasing or Distribution Cooperatives

No purchasing or distribution cooperatives exist. We do not undertake to negotiate purchase arrangements (including price terms) with suppliers.

No Material Benefits for Use of Approved Sources

We do not provide material benefits to you based on your use of designated or approved sources.

ITEM 9 FRANCHISEE'S OBLIGATIONS

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

OBLIGATION	SECTION IN UNIT FRANCHISE AGREEMENT	DISCLOSURE DOCUMENT ITEM
a. Site selection and acquisition/lease	Not applicable	Items 11 and 12
b. Pre-opening purchases/leases	Sections 8.5.1 and 9.1	Items 5, 7, 8, and 11
c. Site development and other preopening requirements	Not applicable	Not applicable
d. Initial and ongoing training	Sections 7.1 and 8.1	Items 6, 7, and 11
e. Opening	Not applicable	Items 7 and 11
f. Fees	Sections 2.2.6, 3.1, 4.1, 5.1, 5.5, 7.1, 7.4, 8.1, 14.4, 16.2, and 18.4.6	Items 5, 6, and 7
g. Compliance with standards and policies/operating manuals	Section 1.1 and Article 12	Items 8 and 11
h. Trademarks and proprietary information	Article 11 and Section 12.3	Items 13 and 14
i. Restrictions on products/services offered	Section 8.8	Item 16
j. Warranty and customer service requirements	Section 8.8 and Section 9.1	Not applicable
k. Territorial development and sales quotas	Not applicable	Not applicable
l. Ongoing product/service purchases	Section 8.5	Item 8
m. Maintenance, appearance and remodeling	Not applicable	Not applicable
n. Insurance	Article 14	Items 6, 7, and 8
o. Advertising	Article 11	Items 6, 7, and 11
p. Indemnification	Section 19.3	Item 6
q. Owner's participation/management/staffing	Sections 7.5 and 8.7	Item 15
r. Records/reports	Article 10	Not applicable
s. Inspections/audits	Section 10.3 and Article 13	Item 6
t. Transfer	Article 18	Items 6 and 17
u. Renewal	Section 2.2	Items 6 and 17

v. Post-termination obligations	Article 16	Item 17
w. Non-competition covenants	Article 17	Item 17
x. Dispute resolution	Article 20, and 22.10 and 22.14	Item 17
y. Other	Not applicable	Not applicable

ITEM 10 FINANCING

We may finance up to 60% of the Initial Franchise Fee for qualified franchisees. In these circumstances, you are generally not required to sign a Promissory Note. Your owners (but no other persons) must personally guaranty the debt. You must pay the amount financed in monthly installments. You will not pay interest on the balance. The balance will be paid in monthly installments of \$100 per month by way of an additional deduction from your monthly statement. Your monthly installments start only when you begin servicing Customers. Once the entire Balance is paid in full, we will stop the deduction.

We do not currently provide any other financing in connection with your initial investment costs (or otherwise) though we may do so in the future. If we do offer financing and you choose to accept it, we may require you to sign a Promissory Note to evidence your obligation to repay us the amount that we agree to finance. The form of Promissory Note is attached to the Franchise Agreement. The Promissory Note will be paid in equal monthly installments over a period of time that you and we determine before you sign the Promissory Note, typically 12 to 24 months. You will not pay interest on the balance unless you default. All your owners will be required to personally guarantee payment of the Promissory Note. The form of Guaranty is attached to the Franchise Agreement.

Your obligations under the Promissory Note will be secured by the security interest in all your Franchised Business' assets that you grant us under the Unit Franchise Agreement. You may pay the Promissory Note early without any prepayment penalty. All of the franchisee's owners must personally guaranty the debt and sign the Guaranty attached to the Franchise Agreement. Under this Guaranty, your owners personally guarantee that you will perform all your obligations under the Promissory Note.

If you default under the Promissory Note:

- the entire amount left on the Promissory Note will be immediately due;
- you must pay court costs and legal fees we pay to collect the amounts you owe (even if we don't sue you);
- you must pay interest at the lesser of (i) 18% a year or (ii) the maximum legal rate on the entire principal balance, and all accrued interest; and
- we may terminate your Franchise Agreement.

Under the Promissory Note, you waive the following defenses and legal rights: valuation and appraisal, demand, presentment, notice of non-payment, dishonor and protest; and your right to a jury trial.

The Promissory Note permits us to assign it, but it is not our practice or current intention to sell, assign, or discount all or any part of any Promissory Note to a third party.

Neither we nor any affiliate receives any consideration for placing financing with any third-party lender.

Except as disclosed above, neither we nor any affiliate offer direct or indirect financing to you, or guarantee your note, lease or obligations.

We do not know whether you will be able to obtain financing for part or all of your investment and, if so, the terms of the financing.

ITEM 11

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

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

Pre-Opening Obligations

Before you open your business, we will:

- offer you the Initial Plan that consists of offering you one or more Customers located in our Territory. These accounts are estimated to generate a certain dollar amount of Guaranteed Gross Monthly Revenue. (Franchise Agreement, Section 1.2)
- provide up to 4 people with a comprehensive initial instructional program at no charge (the "Certification Program"). (Franchise Agreement, Section 7.1)
- loan you one registered copy of each volume of the Maid Right operating manuals (the "Brand Standards Manual") (with periodic revisions as required). Our customary practice is to deliver the Brand Standards Manual at or shortly before the initial certification program. The Brand Standards Manual's table of contents is attached as Exhibit B. (Franchise Agreement, Section 12.2.) You will agree in your Franchise Agreement that we are not joint employers of your employees and other personnel. We do not and will not share or codetermine any of your employees' essential terms and conditions of employment. More specifically, in no case do we have any authority to determine or set your employees': (1) wages, benefits, and other compensation; (2) hours of work and scheduling; (3) the assignment of duties to be performed; (4) the supervision of the performance of duties; (5) work rules and directions governing the manner, means, and methods of the performance of duties and the grounds for discipline; (6) the tenure of employment, including hiring and discharge; and/or (7) working conditions related to the safety and health of employees. You alone have sole authority to determine any or all your employees' essential terms and conditions of employment.
- provide to you, under lease, the Initial Equipment Package. (Franchise Agreement, Section 8.5.1.) As part of your Initial Equipment Package, we will lease to you a sprayer/fogger machine. During the term of your Franchise Agreement, the sprayer/fogger machine remains our property and must be returned to us on the termination or expiration

of your Franchise Agreement.

- provide you with a list of approved suppliers and approved equipment and supplies. (Franchise Agreement 8.5.]

Post-Opening Obligations

During the operation of your business:

- We will collect and process the payments due from Customers as your business provides services. We will deduct and pay our self, Revenue Acquisition Fees, Special Services Revenue Fees, Royalty Fees, Support Fees, supply costs, service fees, insurance amounts, and any other money then due and payable to us (including money due under any Promissory Note). (Franchise Agreement, Section 7.2)
- By the 15th day of each month, we will pay you the net amount received from your Customers the previous month (after deducting the amounts described in the prior sentence). (Franchise Agreement, Section 7.3)
- We will assist you with your customer relations. You are responsible for finding a Qualified Replacement if you are unable to service your customers. A Qualified Replacement is a person that has successfully completed the Maid Right Training Program. We may assist you by locating contractors to perform cleaning services if you cannot. If we provide substitute contractors to perform these services, your customer will pay us and we will pay the substitute contractor, and therefore you are not entitled to any payments from the customer for those services. (Franchise Agreement, Section 7.4)
- We may provide additional personal consultations if we can reasonably accommodate your request to do so. We may periodically introduce new methods and materials through personal consultation, group seminars, and other programs. There are no costs to you for personal consultations and group seminars. We may consult with you on business and operational problems and analyze sales, marketing and financial data. (Franchise Agreement, Section 7.1) We may provide this instruction in any manner we consider appropriate, including e-mail and telephone.
- We will provide you with a list of approved suppliers and approved equipment and supplies. (Franchise Agreement 8.5.] We do not provide assistance with the delivery or installation of any equipment or supplies.

Advertising

Advertising and Promotional Fund

We do not have an advertising fund or advertising council composed of franchisees.

Advertising Cooperatives

We do not have any advertising cooperatives and you are not required to participate in any local or regional advertising cooperative.

Local Advertising

You are not required to conduct any local advertising. You may not use the Marks or any similar names for any advertising or other written promotional materials or on the Internet or other electronic medium, without our prior written consent. You may not use any advertising materials without our prior written consent. You may not register any domain name containing the Marks or any similar names to establish, operate, or participate in a Web site on which these words appear.

Computer Systems

You need not purchase or use an electronic cash register or computer system.

Location of Your Franchise

You are solely responsible for selecting the site from which you operate your Franchise. Most unit franchisees operate their Franchises from their home. We do not select your site or approve an area within which you must select a site.

Time between Signing the Franchise Agreement and Opening the Franchise

The typical length of time between your signing of your Franchise Agreement and the opening of your Franchise is about 45 days, depending on when the initial Certification Program is scheduled and completed and the needs of your Customers.

Certification Program and Advanced Instruction

We will provide the Certification Program for up to 4 approved people for no charge, but may charge a reasonable fee for additional people that attend the Certification Program. You must pay for all costs your representatives incur in attending certification, including meals, travel and salary. The Certification Program includes video, classroom, and on-site expert consultation.

You must attend, or cause one of your managerial personnel (satisfactory to us) to attend and successfully complete our Certification Program and any other seminars, sessions, programs, consultations and advanced instructional modules that we deem necessary.

If we determine that you or your manager have failed to attend or satisfactorily complete the Certification Program or any other instruction, we may, at your expense (including our current standard re-certification fee), re-train you (or your manager) or terminate your Franchise Agreement without further liability to you. We may conduct the initial Certification Program and any other certification at times and at locations that we reasonably determine. You must attend at those times and locations.

The current instructor for all of the training is Barbara Reguero, our founder and president. Ms. Reguero is fully familiar with the operation of a franchised business and the subjects taught in our training program. Ms. Reguero has more than eleven years of experience in the subjects taught in our training program. See Item 2 for more information about Ms. Reguero. The training program may also be conducted by other qualified personnel who will have at least completed the training program they will teach, including, managers, supervisors and consultants, whose services we may retain for specific training courses. No other formal training staff is maintained at present.

TRAINING PROGRAM

Subject	Hours Of Classroom Instruction	Hours Of On-The-Job Instruction	Location Where Instruction Held
Policies and Procedures	3-4	0	Our Office
Customer Service	3	2-3	Our Office
Business Instruction	3	3-4	Our Office
Technical Procedures Instruction	6	3	Our Office and Other Instruction Locations
Safety; Franchisee Forms; Test and Review	2	3-4	Our Office

Our instructional materials for the Certification Program include the Brand Standards Manual. Initial certification is conducted at our office. We schedule the initial Certification Program on an as-needed basis.

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 or our affiliates control. Your Franchise is not for a specific location or a location approved by us. You may relocate your Franchise without our consent. Your Franchise will not be only for specific Customers. Your Customers may be located anywhere in our Territory.

The Master Franchisor has granted us the right to grant Unit Franchises to persons who want to independently own and operate businesses that provide residential cleaning services to customers in our Territory. We, in turn, grant you the right to use the System to operate a Franchise in our Territory.

We will offer you an Initial Plan, which consists of offering you Customers located in our Territory. You may not provide residential cleaning services under the Marks outside of our Territory or outside of your Franchise Agreement. We grant you the nonexclusive right to use **Maid Right®** and the other Marks. We reserve, among other things, the right to use and grant others the right to use the Marks.

Your Franchise Agreement does not grant you any options, rights of first refusal, or similar rights to get additional Franchises.

You may not use other channels of distribution, such as the Internet, telemarketing, or other direct marketing, to make sales inside or outside of the Territory under the Marks.

As noted in Item 1, the Master Franchisor offers unit franchises for businesses that provide residential cleaning services under the Maid Right trademark.

Neither we nor the Master Franchisor or any of our respective affiliates operates, franchises, or has plans to operate or franchise a business under a different trademark and that sells or will sell goods or services similar to those that you will offer.

ITEM 13 TRADEMARKS

We grant you the right to operate your Franchise under the name “**maid right**”.

The Master Franchisor has registered the following Proprietary Marks on the United States Patent and Trademark Office (“USPTO”) principal register:

Mark	Registration Number	Registration Date
maid right	4489528	February 25, 2014
	6286710	March 9, 2021

All required affidavits have been filed and registration of our Mark bearing registration number 4489528 has been renewed. Other than our agreement with the Master Franchisor, there are currently no agreements in effect that significantly limit our rights to use or license the use of the Marks. There are no presently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court; pending infringement, opposition, or cancellation proceedings; nor any pending material litigation involving the Marks. We are not aware of any infringing or prior superior uses that could materially affect your use of the Mark in the state in which you will operate. There are no infringement, cancellation or opposition proceedings in which we unsuccessfully fought to prevent registration of a trademark to protect the Mark. If we become aware of potentially infringing uses and we believe we can demonstrate that we have superior prior rights, we intend to send cease and desist letters to the business that are using the “Maid Right” name and may take further legal action where we believe it is warranted.

Agreements

You get the right to use the Proprietary Marks from us under your Franchise Agreement. We get the right to use, and to give you the right to use, the Proprietary Marks under our Regional Master Franchise Agreement with the Master Franchisor. We signed our Regional Master Franchise Agreement on November 28, 2014. The Regional Master Franchise Agreement has an initial 15-year term and two 15-year renewal terms. The Master Franchisor cannot terminate the Regional Master Franchise Agreement unless we default. If our Regional Master Franchise Agreement is terminated, the Master Franchisor has the right, but not the obligation, to assume our unit franchise agreements and any customer agreements. The Franchise Agreement does not provide a right to terminate if our Regional Master Franchise Agreement is terminated. Other than our Regional Master Franchise Agreement, there are no agreements that significantly limit our right to use or license the use of the Proprietary Marks in a manner material to you.

Protection of Rights

You must immediately tell us if you think anyone is using the Marks without our permission. You also must immediately tell us if anyone tells you that you or we do not have the right to use the Marks. We and the Master Franchisor have the right to determine what action, if any, we or the Master Franchisor will take against the unauthorized user or challenger. We make no warranty, expressed or implied as to the use, validity or enforceability of the Marks. We are not obligated to defend you against any third party claim, suit or demand arising out of your use of the Marks.

If any litigation arises from your use of the Marks, you must sign all documents and perform all acts we believe appropriate to conduct a defense.

If, at any time, we believe that it is advisable to modify or discontinue the use of any of the Marks or use one or more additional or substitute names or marks—for reasons including the rejection of any pending application for registration or revocation of any existing registration of any of the Marks, or the superior rights of senior users—you must do so at your sole expense within 30 days after our request.

ITEM 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION.

Patents

No patents are material to the franchise.

Copyrights

Various training, management and other materials that the Master Franchisor has created are and will be protected under the U.S. Copyright Act, whether or not the Master Franchisor has filed for registrations. You may use these copyrighted materials during the term of your Franchise Agreement, in a manner consistent with the Master Franchisor's ownership rights, solely for the purpose of operating your Franchise.

There are no pending copyright applications for the Master Franchisor's copyrighted materials. There are no currently effective determinations of the U.S. Copyright Office (Library of Congress) or any court, nor are there any pending infringement, opposition or cancellation proceedings or material litigation, involving the copyrighted materials that are relevant to their use by our franchisees.

All of the provisions in Item 13 under the headings "Agreements" and "Protection of Rights" also apply to copyrights.

We do not know of any superior rights in or any infringing uses of the Master Franchisor's copyrighted materials that could materially affect your use of the copyrighted materials.

Proprietary Information

Master Franchisor has developed certain Confidential Information, including certain trade secrets, methods of business management, sales and promotion techniques, and know-how, knowledge of, and experience in operating residential cleaning services businesses, and we may divulge this information in confidence to qualified franchisees and managers. We will provide the Confidential

Information to you during training, in the Brand Standards Manual and as a result of the assistance we furnish you during the term of the franchise. You may only use the Confidential Information for the purpose of operating your Maid Right business. You may only divulge Confidential Information to employees who must have access to it to operate the Maid Right business. You must enforce the confidentiality provisions as to your employees.

We have a proprietary, copyrighted Brand Standards Manual that we received from the Master Franchisor, and copyrighted materials that include guidelines, standards and policies for the operation of your business. Item 11 describes the Brand Standards Manual and the manner in which you may use it. All documents provided to you, including the Brand Standards Manual, are for your exclusive use during the term of your Franchise, and may not be reproduced, lent or shown to any person outside the Maid Right system.

You must promptly tell us when you learn about unauthorized use of our or the Master Franchisor's proprietary or confidential information. We are not obligated to take any action but will respond to this use as we think appropriate. We will not indemnify you for losses brought by a third party for your use of this information.

All ideas, concepts, techniques or materials concerning your Maid Right business, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed the Master Franchisor's sole and exclusive property and a part of the System that we or Master Franchisor may choose to adopt and/or disclose to other franchisees. Likewise, we will disclose to you concepts and developments of other franchisees that Master Franchisor makes part of the System. You must also assist us or the Master Franchisor in obtaining intellectual property rights in any concept or development if requested.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

We require that you have at least one person actively involved in the management of the Franchise ("Manager"), who may be the owner of an entity-franchisee or a Manager that you have selected (or who has been selected by the owners of an entity-franchisee). Your Manager must have completed the Certification Program and other required programs to our satisfaction before you commence operations of your Business. You must keep us informed of the identity of your Manager. Your Manager need not be an owner or otherwise have an equity interest in your Business.

If you are an entity-franchisee, each of your owners must sign the Guaranty attached to the Franchise Agreement. This is a personal guaranty of the obligations under your Franchise Agreement. This Guaranty give us the right to collect any amounts due us from each guarantor personally. Your Manager and managerial employees must sign our form of confidentiality and non-competition agreement.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale all approved services and products; must refrain from deviating from our specifications for the approved services and products without our written consent; and must discontinue offering any services or products that we disapprove in writing. We have the right to change the types of services and products that we approve or authorize. There are no limits on our right to make these changes. There are no limits regarding the Customers to whom you may sell

products and services except that your Customers must be located in your Territory.

ITEM 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
a. Length of the franchise term	Section 2.1	10 years
b. Renewal or extension of the term	Section 2.2	You may renew your Franchise for 2 additional 10-year periods if you satisfy the conditions in the Franchise Agreement.
c. Requirements for you to renew or extend	Section 2.2	In order to renew (which means renewing your franchise relationship with us), you must satisfy all the following conditions: • You provide notice of your intention to renew at least 6 months (and not more than 12 months) before expiration; • You have complied with your obligations under the Franchise Agreement or resolved any breaches to our satisfaction; • You pay us everything you owe us; • You sign our then-current form of Franchise Agreement which may contain materially different terms and conditions than your original franchise agreement; • You comply with our then-current qualification and instructional requirements; • You pay us a Renewal Fee; and • You sign a general release.
d. Termination by you	None	You may terminate the franchise agreement on any grounds available by law.
e. Termination by us without cause	None	
f. Termination by us with cause	Article 15	We can terminate your Franchise only if you default under your Franchise Agreement.
g. "Cause" defined--curable defaults	Sections 15.2 and 15.3	You have 30 days after notice to cure all defaults stated in Section 15.3 of the Franchise Agreement. Some of the defaults in Section 15.2 are curable. For example, you have 10 days after delivery of a Notice of Default to cure monetary defaults.

h. "Cause" defined - non curable defaults	Sections 15.1 and 15.2	Non-curable defaults include: bankruptcy, insolvency, appointment of a receiver, and any other defaults stated in Section 15.1. Some of the defaults in Section 15.2 cannot be cured, such as breaching the confidentiality and non-competition covenants, misusing the Marks and transferring your rights in the Franchise Agreement without our consent.
i. Your obligations on termination/nonrenewal	Article 16	You must stop operations and use of the Marks and intellectual property; return customer keys; pay amounts due us; and return loaned materials and Confidential Information.
j. Assignment of contract by us	Section 18.1	No restrictions on our right to assign.
k. "Transfer" by you-defined	Sections 18.2 and 18.3	A transfer includes selling, assigning, conveying, or otherwise disposing of—voluntarily, involuntarily, directly or indirectly, by operation of law or otherwise—
		your Franchise Agreement or any direct or indirect interest in the Franchise Agreement. A transfer of 25% or more of voting or ownership interests—individually or in total, directly or indirectly—is considered a transfer of an interest in your Franchise Agreement, so is a transfer of all or substantially all your assets used to operate your Franchise.
l. Our approval of your transfer	Section 18.2	You may not transfer without our consent.

m. Conditions for our approval of transfer	Section 18.4	• We have not exercised our right of first refusal • You pay us everything you owe us; • You are not in default of your Franchise Agreement or any other agreement; • You sign a general release of all claims against us and the Master Franchisor; • The transferee enters an assumption agreement, in form and substance satisfactory to us, under which it assumes all of your obligations; or, if we request, the transferee signs our new form of Franchise Agreement; • If the transferee is an entity, its owners must sign our current standard form of personal guaranty; • You pay us a transfer fee; • The transferee demonstrates that it has the business and personal skills, reputation, and financial capacity we require; • The transferee satisfactorily completes our application procedures for new franchisees; • The transferee demonstrates that it has properly assumed, and will be able to comply with, all of its obligations; • At the transferee's expense (including our then-current certification fee), the transferee (or its owners if it is an entity) completes the Certification Program; • We are reasonably satisfied that the proposed sale terms do not materially impair transferee's ability to assume and carry out its obligations; and • You and the transferee timely satisfy any other conditions we reasonably impose.
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n. Our right of first refusal to acquire your business	None	None
o. Our option to purchase your business	None	None

p. Your death or disability	Sections 18.5 and 18.6	If a Covered Owner dies, or is disabled from any cause and, as a result, for a continuous period of more than 3 months, is unable to perform his or her duties under the Franchise Agreement; then within 30 days, you (or your legal representative) must hire and maintain a Qualified Replacement satisfactory to us to perform your obligations. Within 6 months of the death or permanent disability of any Covered Owner, that individual's estate or his or her representative must transfer his or her interests in the unit franchisee (or in any of the franchisee's owners) or in the Franchise Agreement. No transfer fee is due in this case. A "Covered Owner" is the franchisee if the unit franchisee is an individual, or anyone who is an owner of the franchisee if the franchisee is an entity.
q. Non-competition covenants during the term of the franchise	Section 17.1	You may not solicit or influence any of your customers (or customers serviced in the previous 12 months) to stop being serviced in that capacity or to be serviced by you or any third party in any other manner.
r. Non-competition covenants after the franchise is terminated or expires	Section 17.1	The obligation stated in (q) above also applies for the 12-months after the expiration or termination of your Franchise Agreement.
s. Modification of the agreement	Article 12 and Sections 22.2 and 22.3	Your Franchise Agreement may not be modified without your and our consent, except: 1. We may change the contents of the Manuals; 2. We may modify the System; and 3. A court or arbitrator may modify a provision of the Franchise Agreement under applicable law.
t. Integration/merger clause	Section 22.17	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.
u. Dispute resolution by arbitration or mediation	Article 20	Many disputes must be mediated or arbitrated in the county in which our principal office is then located.
v. Choice of forum	Section 22.10	Subject to mediation and arbitration requirements, litigation must be brought in state or federal court in the state and county where our principal office is then located, subject to applicable state law.

w. Choice of law	Section 22.14	Except to the extent the Lanham Act or Federal Arbitration Act governs, the laws of the state where our principal office is located when you sign your Franchise Agreement governs, subject to applicable state law.
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Some states may have laws or court decisions that may supersede the Franchise Agreement concerning your relationship with us including the areas of termination and renewal. A provision in your franchise agreement that terminates the franchise on your bankruptcy may not be enforceable under Title 11, United States Code Section 101 *et seq.*

ITEM 18 PUBLIC FIGURES

We do not use any public figure to promote our Franchise, but may do so in the future.

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.

We do not make any financial performance representations. We also do not authorize our employees or representatives to make any other representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Barbara Reguero at 92 North Avenue, Suite 109, New Rochelle, New York 10801, 914-999-4747, Barbara.reguero@maidright.com, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

Outlet Statistics for Our Unit Franchisees in the Territory

Our fiscal year ends December 31; information in the below charts is as of December 31.

Table 1 Systemwide Outlet Summary For Years 2022 To 2024				
Outlet Type	Year	Outlets At The Start Of The Year	Outlets At The End Of The Year	NET CHANGE
	2022	18	20	+2

Franchised	2023	20	21	+1
	2024	21	21	0
Company-Owned	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Total Outlets	2022	18	20	+2
	2023	20	21	+1
	2024	21	21	0

Table 2 Transfer Of Outlets From Unit Franchisees To New Owners (Other Than Us) For The Years 2022 To 2024		
State	Year	Number Of Transfers
New York	2022	0
	2023	1
	2024	0
Total	2022	0
	2023	1
	2024	0

Table 3 Status Of Unit Franchise Outlets For Years 2022 to 2024								
State	Year	Outlets At Start Of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations- Other Reasons	Outlets At End Of The Year
New York	2022	18	3	0	0	0	1	20
	2023	20	1	0	0	0	0	21
	2024	21	0	0	0	0	0	21
Total	2022	18	3	0	0	0	1	20
	2023	20	1	0	0	0	0	21
	2024	21	0	0	0	0	0	21

Table 4 Status Of Company-Owned Outlets For Years 2022 To 2024							
State	Year	Outlets At Start Of Year	Outlets Opened	Outlets Reacquired From You	Outlets Closed	Outlets Sold To You	Outlets At End Of The Year
New York	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2022	0	0	0	0	0	0

Total	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0

Table 5 Projected Openings As Of December 31, 2024			
State	Franchise Agreements Signed But Outlets Not Opened	Projected New Franchised Outlets In The Next Fiscal Year	Projected New Company-Owned Outlets In The Next Fiscal Year
New York	0	1	0
Total	0	1	0

A list of the names, addresses and telephone numbers of our current franchisees is attached as Exhibit D.

A list of the names, addresses and telephone numbers of our franchisees who have had an outlet terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of December 31, 2024, is attached as Exhibit E.

If you buy the Franchise offered in this disclosure document, your contact information may be disclosed to other buyers when you leave the System.

Confidentiality Clauses

During the last three (3) fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

Trademark-Specific Franchisee Organizations

There are no trademark-specific unit-franchisee organizations.

Master Franchisor

The following information relates solely to MF Franchisor and its franchise activities for the Maid Right system:

Table No. 1
SYSTEMWIDE* OUTLET SUMMARY
FOR FISCAL YEARS 2022 TO 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the end of the Year	Net Change
Franchised	2022	24	37	+13
	2023	37	44	+7
	2024	44	35	-9
Company-Owned	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Total Outlets	2022	24	37	+13
	2023	37	44	+7
	2024	44	35	-9

Table No.2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR FISCAL YEARS 2022 TO 2024

State	Year	Number of Transfers
Georgia	2022	0
	2023	0
	2024	2
Virginia	2022	1
	2023	0
	2024	0
Totals	2022	1
	2023	0
	2024	2

Table No. 3
FRANCHISED OUTLETS STATUS SUMMARY
FOR FISCAL YEARS 2022 TO 2024

State	Year	Outlets Operating at Start of Year	Outlets Opened	Termin- ations	Non- Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets Operating At Year End
Arizona	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	0	3
	2024	3	1	0	0	0	0	4
Colorado	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	1	0	0	0	0	2
Connecticut	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Florida	2022	2	7	0	0	0	2	7
	2023	7	4	0	0	0	4	7
	2024	7	0	4	0	0	0	3
Georgia	2022	2	0	0	0	0	0	2
	2023	2	3	0	0	0	0	2
	2024	5	0	0	0	0	1	4
Indiana	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Iowa	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Louisiana	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Maryland	2022	1	0	0	0	0	0	1

	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Nevada	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
New Jersey	2022	1	0	0	0	0	1	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
New York	2022	2	0	0	0	0	0	2
	2023	2	2	0	0	0	0	4
	2024	4	0	0	0	0	2	2
North Carolina	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	1	1
	2024	1	0	0	0	0	0	1
Ohio	2022	1	1	1	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Tennessee	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	1	1
Texas	2022	6	7	0	0	0	1	12
	2023	12	8	0	0	0	8	12
	2024	12	3	2	0	0	4	9
Virginia	2022	2	1	0	0	0	0	3
	2023	3	0	0	0	0	1	2
	2024	2	0	0	0	0	1	1
Totals	2022	24	17	0	0	0	4	24
	2023	37	21	0	0	0	14	37
	2024	44	6	6	0	0	9	35

Table No. 4
COMPANY-OWNED* OUTLETS STATUS SUMMARY
FOR FISCAL YEARS 2022 TO 2024

State	Year	Outlets Operating at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets Operating At End of Year
Totals	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0

Table No. 5
PROJECTED OPENINGS AS OF DECEMBER 31, 2024

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Arizona	1	1	0
Colorado	1	1	0
Florida	1	1	0
Georgia	1	1	0
Iowa	1	1	0
Louisiana	1	1	0
Texas	4	4	0
Total	10	10	0

Attached as Exhibit E to this Disclosure Document is a list of MR Franchisor's Maid Right franchisees as of the date of MR Franchisor's own Disclosure Document and attached as Exhibit F is a list of Maid Right franchisees who have been terminated, cancelled or otherwise ceased to do business under the Franchise Agreement with MR Franchisor during the year ended December 31, 2024 or who have not communicated with MR Franchisor within 10 weeks of the date of this Disclosure Document. If you buy a Maid Right franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Confidentiality Agreements

In the last 3 years, some franchisees have signed confidentiality clauses with MR Franchisor. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the Maid Right franchise system. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

Trademark-Specific Franchisee Organizations

As of the date of this Disclosure Document, there are no trademark-specific franchisee organizations associated with the Maid Right system that we have created, sponsored, or endorsed, and there are no

independent trademark-specific franchisee organizations that have asked to be included in our Disclosure Document.

ITEM 21 FINANCIAL STATEMENTS

Attached to this disclosure document as Exhibit C are our audited financial statements for our fiscal years ending December 31, 2024, December 31, 2023 and December 31, 2022.

Also attached as Exhibit C are the audited consolidated financial statements of MR Franchisor affiliate Premium Service Brands, LLC and Subsidiaries as of and for the years ended December 31, 2024, December 31, 2023 and December 31, 2022.

The fiscal year end for us and the Master Franchisor is December 31st of each calendar year.

ITEM 22 CONTRACTS

The Franchise Agreement is attached to this disclosure document as Exhibit A. The Franchise Agreement includes the following exhibits:

Exhibit A	Equipment Financing Agreement
Exhibit B	Promissory Note
Exhibit C	Guaranty

ITEM 23 RECEIPTS

The last 2 pages of this disclosure document (following the exhibits and attachments) is a document for you to acknowledge only that you received a copy of this disclosure document (one copy for you and one to be signed and returned to us).

Exhibit A to the Franchise Disclosure Document

FRANCHISE AGREEMENT



UNIT FRANCHISE AGREEMENT

with

[INSERT FRANCHISEE'S NAME]

SUMMARY PAGE

1. Effective Date: _____
2. Franchisee's Name: _____

3. Franchisee's State of Organization (if applicable): _____

4. Ownership of Franchisee:

If Franchisee is an Entity, the following persons are all of the owners of a legal and/or beneficial interest in Franchisee:

<u>Name</u>	<u>Percentage Ownership</u>
_____	_____ %
_____	_____ %
_____	_____ %

5. Territory (Section 1.1): the area in Westchester County, New York, including the following Zip Codes: 10502, 10522, 10528, 10530, 10533, 10538, 10543, 10550, 10552, 10553, 10573, 10577, 10580, 10583, 10601, 10605, 10606, 10607, 10701, 10703, 10704, 10705, 10706, 10707, 10708, 10709, 10710, 10801, 10803, 10804, and 10805.
6. Initial Plan (Section 1.2). We must offer you Initial Plan Customers that are estimated to generate \$ _____ of Guaranteed Gross Monthly Revenue. Guaranteed Gross Monthly Revenue of from \$500 to \$4000 must be offered to you within 120 _____ business days after the Start Date. Guaranteed gross monthly revenue of \$6,000 within 140 days. \$8,000 of Guaranteed gross monthly revenue within 160 and \$10,000 of guaranteed gross monthly revenue within 180 days. This is called your "Initial Plan".
7. Initial Franchise Fee (Section 3.1): The Initial Franchise Fee is \$ _____. You must pay a down payment of \$ _____ when you sign this Franchise Agreement. You must pay the remaining balance of \$ _____ in monthly installments. We will apportion the remaining balance due among your Customers, based on the expected Gross Monthly Revenue for each Customer. You will pay your monthly installments by way of an additional deduction from your monthly statement of 15% of the Gross Monthly Business for each Customer that you are servicing, until you have made the required payments attributed to that Customer, which usually takes about 24 months. Your monthly installments for each Customer start only when you begin servicing that Customer. Once you have made the required payments attributed to a particular Customer, we will stop the deduction for that Customer.
8. Business Protection Program (Section 14.4). We offer you participation in, and you elect to participate in, the Business Protection Program that is described in Section 14.4. The cost of this insurance is currently 7.0% of Gross Monthly Billings. We may adjust this cost to cover increased costs in premiums or in administering the Program. We may discontinue this program on prior written notice to you.

9. Your Address for Notices (Section 22.5):

10. Our Address for Notices (Section 22.5):

Double Bar Cleaning, LLC,
d/b/a Maid Right of White Plains
92 North Avenue, Suite 109
New Rochelle, New York 10801

Initials: _____ (Us) _____ (You)

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UNIT FRANCHISE AGREEMENT

This Unit Franchise Agreement (the “Agreement”) is made as of the Effective Date between **Double Bar Cleaning, LLC** (doing business as Maid Right of White Plains), a New York limited liability company (“we,” “us” or “our”), and the person or corporation, partnership or limited liability company (an “Entity”) identified on the Summary Page as Franchisee (“you” or “your”).

- A. We are the master franchisee under a Regional Master Franchise Agreement with Maid Right Franchising, LLC (the “Master Franchisor”) within the Territory.
- B. We are in the business of granting unit franchises to independent businesses that will offer residential cleaning services (the “Franchise”) under the MAID RIGHT system of specifications and operating procedures (the “System”), and the service mark MAID RIGHT (the “Marks”). The System does not include any employment policies, procedures, or samples that we make available for your optional use. The System does not include any employment policies, procedures, or samples that we make available for your optional use.
- C. You wish to acquire a Franchise from us and use the System and the Marks in the operation of your own business.
- D. We accept you as a franchisee under the terms of this Agreement.

You and we agree as follows:

1. GRANT OF FRANCHISE

- 1.1. We grant you a Franchise to use the System and the Marks under the terms of this Agreement. Your Franchise will provide residential cleaning services for one or more customer accounts (“Customers”) in the Territory. Customers include Additional Customers as defined in Section 4.1, and Supplemental Customers as defined in Section 5.1.1. You agree to operate your Franchise in accordance with this Agreement. You agree that you will not perform residential cleaning services under the Marks outside of the Territory or outside of this Agreement at any location.
- 1.2. For your Initial Plan, we will offer you one or more Customers that are located in the Territory (“Initial Plan Customers”) that are estimated to generate the amount of Guaranteed Gross Monthly Revenue that is stated on the Summary Page. We will offer these Initial Plan Customers within the number of business days stated on the Summary Page after the Start Date.
 - 1.2.1. “Guaranteed Gross Monthly Revenue” is the total estimated monthly service revenues from any Customer or Customers that we offer to you.

- 1.2.2. The “Start Date” is the date on which you have done all of the following: gotten all licenses and permits required by law to operate your Franchise; gotten your initial equipment and supplies; gotten the required insurance described in Article 14, successfully completed our Certification Program (as defined in Section 7.1), and, fulfilled any other reasonable conditions that we require for beginning to operate your Franchise. We have no obligation to offer Customers if you do not complete these items.
- 1.2.3. We may extend the time period within which we must offer the Initial Plan as provided below:
 - 1.2.3.1 if you reject a Customer, the time period within which we must offer you other Customers equal to the value of the rejected Customer is extended for an additional reasonable time from the date of your rejection of the Customer; or
 - 1.2.3.2 if any of your Customers cancels because of your Misconduct (as defined below), we may require you to demonstrate to us your understanding of the System’s procedures and requirements, either by attendance at our workshop or by other reasonable means. In this case, the time within which we must offer the Initial Plan is extended until you demonstrate this understanding to our satisfaction; or
 - 1.2.3.3 if we discontinue your services to a Customer because we determine that you need additional training, the time within which we must offer the Initial Plan is extended until you demonstrate to us your understanding of the System’s procedures and requirements, either by attendance at our workshop or by other reasonable means; or
 - 1.2.3.4 if you default under any provision of this Agreement or any other agreement with us, the time within which to offer the Initial Plan is extended until your defaults are cured to our reasonable satisfaction.

“Misconduct” means any conduct by you or your employees that amounts to faulty workmanship, fraud, theft, dishonesty, providing services in a manner reasonably unsatisfactory to one or more customers, engaging in unlawful activity on a customer’s premises, or otherwise defaulting under this Agreement or the service contract with your customer.

We do not represent or guaranty that any Customers will be profitable or that the Guaranteed Gross Monthly Revenue that the Customers are initially estimated to generate will be the actual Gross Monthly Revenue that you realize from the Customers. You agree that the profitability of your Franchise is dependent on many factors, such as the efficiency and skill of your work force and your business acumen in managing your expenses and day-to-day operations.

1.3. When you accept a Customer, you own that Customer. Your Customers remain your property unless returned to us as provided in this Agreement. You have the right to review each Customer offered and choose whether you want that Customer. You may reject any Customer or stop servicing any Customer. If you reject a Customer offered under your Initial Plan, or stop servicing a Customer offered under your Initial Plan because the customer does not pay for your services, we will replace the value of that Customer, but not necessarily within the original time period under your Initial Plan. In this circumstance, we will replace the value of that Customer within a reasonable time. If we want, we may offer Additional Customers, without reference to any time frames.

1.4. If, within the first 6 months after you accept a Customer, the Customer is terminated for any reason (except your documented Misconduct) or you stop servicing a Customer because the Customer does not pay for services rendered (a “Terminated Customer”), we will, within a reasonable period of time, offer a replacement Customer(s) as follows:

1.4.1. We can offer replacement Customers that are equal to, or more than, the full amount of the Guaranteed Gross Monthly Revenue of the Terminated Customer. In this case, our replacement obligation for the replacement Customer remains at 6 months from *the Terminated Customer’s Start Date*); or

1.4.2. We can offer replacement Customers that are equal to, or more than, the remaining amount of the Guaranteed Gross Monthly Revenue of the Terminated Customer. In this case, our replacement obligation for the replacement Customer is 6 months from the *replacement Customer Start Date*).

In these situations, you will continue to pay any remaining balance on your Initial Franchise Fee from the Gross Monthly Revenue of the replacement customer. If a Customer has Guaranteed Gross Monthly Revenue that is more than your Initial Plan, or a replacement Customer offered under this Section has Guaranteed Gross Monthly Business that is more than the Terminated Customer, you must pay us a Revenue Acquisition Fee for the excess as provided in Article 4.

1.5 If a Customer terminates your services at any time after 6 months from the date you begin providing services for that Customer, we are not obligated to replace that Customer, no matter what the reason for termination.

2. INITIAL AND RENEWAL TERMS

2.1. The initial term of this Agreement (the “Initial Term”) begins on the Effective Date and expires 10 years after the Effective Date. “Term” means the Initial Term and any Renewal Term.

2.2. You may renew your franchise 2 times for 10 years each (each, a “Renewal Term”). You may do so only by satisfying all the following conditions:

2.2.1. you deliver written notice to us at least 6 months—but no more than 12 months—before the Term expires;

- 2.2.2. you have always complied with all the terms of this Agreement, the Operation Manuals (as defined in Section 12.1) and all other agreements between you and us or our affiliates, or if any breaches have occurred, the breaches have been resolved to our satisfaction;
- 2.2.3. you pay all money you owe to us and our affiliates (including under any Promissory Note or other indebtedness);
- 2.2.4. you sign our new form of unit franchise agreement and all other ancillary agreements we require; the terms of these agreements may differ substantially from this Agreement, such as a greater Revenue Acquisition Fee, Special Services Revenue Fee, Royalty Fee, and Support Fee, etc.;
- 2.2.5. you meet our then-current requirements for new franchisees, and you attend, or have at least one of your officers or managerial people attend, any required orientation, workshop, or similar class;
- 2.2.6. you pay us a Renewal Fee of \$1,500 (the “Renewal Fee”); and
- 2.2.7. you sign a general release (in form and substance satisfactory to us and Master Franchisor) of all claims against us, our affiliates and the Master Franchisor, and our and their respective officers, directors, owners, agents and employees.

3. INITIAL FRANCHISE FEE

- 3.1. When you sign this Agreement, you will pay us the initial franchise fee that is stated on the Summary Page (the “Initial Franchise Fee”). If any portion of the down payment on the Initial Franchise Fee is financed, you will sign the Promissory Note attached as Exhibit B (the “Promissory Note”), and all of your owners must sign the Guaranty attached as Exhibit C (the “Guaranty”).

Except as provided in this Section, the Initial Franchise Fee is never refunded. If we don’t offer you Customers with Guaranteed Gross Monthly Revenue required by Section 1.2 within the time period provided, we will reduce the Initial Franchise Fee equal to the “Adjustment Amount” (defined below). We will apply the Adjustment Amount first to reduce any amounts you owe us (including under a Promissory Note) and any remaining amount will be refunded to you. Other than this, the Initial Franchise Fee is not refundable for any reason.

- 3.2. The “Adjustment Amount” is the difference between your Initial Franchise Fee and the Initial Franchise Fee for the Customers we actually offered.

- 3.2.1. If the Initial Plan we actually offered is different from a standard Initial Plan we offer, we will use a marginal rate calculation to determine the Adjustment Amount. For example, if you purchase a FP-8,000 (\$8,000 of estimated Guaranteed Gross Monthly Revenue), the Initial Franchise Fee is \$35,400. If we offer you Customers with Guaranteed Gross Monthly Revenue that only total \$7,000 (which is between the FP-6,000 and FP-8,000, the marginal rate (“Marginal Rate”) between the FP-6,000 and the FP-8,000 is 420%. Here is the calculation:

- The difference between the Initial Franchise Fees for FP-8,000 and FP-6,000 is \$8,400 (\$35,400 – \$27,000)
- The difference between the Guaranteed Gross Monthly Revenue for FP-8,000 and FP-6,000 is \$2,000 (\$8,000 - \$6,000)
- The Marginal Rate is calculated as $\$8,400 \div \$2,000 = 420\%$
- The Initial Franchise Fee for the actual Customers offered to you would be:
 - the FP-6,000 Initial Franchise Fee of \$27,000
 - PLUS the amount above \$6,000 in Guaranteed Gross Monthly Revenue of \$1,000 (\$7,000 offered - \$6,000), multiplied by the Marginal Rate of 420% = \$4,200

The Initial Franchise Fee of the Initial Plan that we actually offered would therefore be $\$27,000 + \$4,200 = \$31,200$. Your reduction would be $\$35,400 - \$31,200 = \$4,200$.

4. ADDITIONAL CUSTOMER ACCOUNTS

4.1. We may offer additional recurring customers (not included in the Initial Plan) to you ("Additional Customers"). You have the right to review any proposed Additional Customer and choose whether you want it. If you want the Additional Customer, you will pay us a Revenue Acquisition Fee (the "Revenue Acquisition Fee") for the value of the services we provide in the acquisition and negotiation of the Customer. When you accept an Additional Customer, you own that Additional Customer. Your Additional Customers remain your property unless returned to us as provided in this Agreement.

4.2. The Revenue Acquisition Fee for each Additional Customer is calculated as 30% of the expected Monthly Revenue for that Customer for the first 12 months. You may pay this Revenue Acquisition Fee either in a lump sum or in monthly payments spread over 12 to 24 months, as you and we agree. If you choose to pay over time, we will deduct the Revenue Acquisition Fee from the Gross Monthly Revenue for that Additional Customer on your monthly statement. The Revenue Acquisition Fee is in addition to the Royalty Fee and Support Fee.

4.3. If, within 6 months from the date that you begin providing services for an Additional Customer, the Additional Customer terminates your services for any reason other than your misconduct, or you stop servicing an Additional Customer because the Additional Customer does not pay, we will, within a reasonable time, offer to replace the Additional Customer with other Customers that are either, at our election:

(a) at least the amount of the Guaranteed Gross Monthly Revenue of the terminated Additional Customer, for the time period left in the terminated Customer's 6 months, or

(b) at least the amount of the Guaranteed Gross Monthly Revenue of the terminated Additional Customer, *less the amount paid by the terminated Customer for services you rendered* (if we select this option, the duration of the replacement obligation for the replacement Customer is 6 months from the *replacement Customer Service Start Date*).

In these situations, you will continue to pay any remaining balance on your Revenue Acquisition Fee from the Gross Monthly Revenue of the replacement customer.

4.4. If an Additional Customer terminates your services at any time after 6 months from the date you begin providing services for that Additional Customer, we are not obligated to replace that Additional Customer, no matter what the reason for termination.

5. CONTINUING FEES

5.1. You will pay us the following monthly, nonrefundable fees throughout the Initial Term:

5.1.1. if you choose monthly payments rather than a lump sum payment, a revenue acquisition fee that is calculated as 30% of your Gross Monthly Revenue (excluding Special Services) for each Customer for the first 12 months after you accept the Customer (the "Revenue Acquisition Fee"). "Gross Monthly Revenue" means the total revenues received from each Customer (including Additional Customers and Supplemental Customers) for all services you provide under the Marks during a calendar month. "Supplemental Customers" are customer accounts that we have not offered to you, or that you procured without our assistance, but that you are servicing under the Marks. The Supplemental Customers will remain your property unless transferred to us in accordance with this Agreement. Gross Monthly Revenue also includes revenues received from Special Services, but the 30% Revenue Acquisition Fee is not charged on Special Services (see Section 5.1.2). "Special Services" are special or isolated cleaning services performed as one-time services or less than once per month.

5.1.2. a Special Services revenue fee of 15% of your Gross Monthly Revenue from Special Services for the previous month (the "Special Services Revenue Fee").

5.1.3. a royalty fee of 15% of your Gross Monthly Revenue for the previous month (the "Royalty Fee").

5.1.4. a support fee of 15% of your Gross Monthly Revenue for the previous month (the "Support Fee").

5.2. You will pay us a \$50 complaint fee (the "Complaint Fee") for each Complaint, to compensate us for the administrative cost of responding to the Complaint to prevent loss of goodwill of the Marks. A "Complaint" is a customer complaint to which you did not respond within the time frame stated in that customer's service contract or the Maid Right customer warranty or service programs. If we have to contract with someone else to correct your Complaint, you also will pay us a service fee (the "Service Fee") to compensate us for the cost of the other party at \$50 per hour.

5.3. You may not deduct any amount (whether for reduction, setoff, defense or counterclaim) from any payment that you owe to us.

5.4. We can apply any payments you make in any way we choose, including to any past due indebtedness you owe us.

5.5. If you are late on any payment you owe us, we will charge you interest at the lesser of: 18% per annum; or the maximum rate allowed by applicable law (the “Contract Interest Rate”). You will pay us this interest on demand.

6. SECURITY AGREEMENT

As security for all your monetary and other obligations to us or our affiliates arising under this Agreement or any other agreement (including under any Promissory Note), you grant to us a first-priority security interest in all your assets used in your Franchised Business. These assets include all equipment, inventory, agreements, your Customers, your accounts receivable, and all other property you now own or later acquire, used in your Franchised Business. You will sign all documents needed to prove our security interest.

7. OUR BUSINESS AND MANAGEMENT SERVICES; YOUR ENTITLEMENTS

7.1. To maintain the uniformity of the System and protect the integrity of the Marks, you must operate your Franchise according to the System’s policies, procedures, and operational standards. To that end, we will provide you with a comprehensive initial training program on the Maid Right brand standards (the “Certification Program”). We will provide this program for up to 4 approved people without charge. We may charge a reasonable amount for additional people that attend the Certification Program. The Certification Program includes video, classroom, and on-site expert consultation. You may request our additional assistance, which we may provide if we can reasonably accommodate your request. We may introduce new methods and materials through personal consultation, group seminars, advanced training modules, and other programs. There are no costs to you for personal consultations and group seminars or for mandatory additional instruction. We may consult with you on business and operational problems and help you analyze your sales, marketing and financial data.

7.2. We will provide collection and payment processing services for your Customers as you provide the services. We will use commercially reasonable efforts to collect the money due from Customers and may engage attorneys, file litigation, or take any other actions we consider appropriate to collect and enforce Customer payment. From the amount we collect, we may deduct, and pay our self the fees due under this Agreement, and any other amount you owe us under this Agreement or any other agreement (including money due under any Promissory Note). We acknowledge that you consider these collection and payment processing services to be an essential element of the advantages the System offers, since it frees you from the expense and administrative burden of having to conduct collection and payment processing. Only we, or our designee, may perform the functions stated in this Section.

7.3. By the 15th day of each month, we will pay you the net amount received from your Customers the previous month (after deducting the amounts described in the previous Section). We also will provide you with a monthly report showing the amounts received from each Customer, and a full list of the amounts and types of all deductions.

7.4. We will assist you in maintaining favorable relations with your Customers. You are responsible for finding a Qualified Replacement if you are unable to service your Customers. A Qualified Replacement is a person that has successfully completed the Maid Right Training Program. If you are temporarily unable to service one or more of your Customers due to adverse circumstances, you may request us to assist you by locating a substitute contractor to service the Customer. If we make these arrangements, you will not receive any payments for the services the substitute contractor performed. These payments are a "Substitution Fee" that we use to pay the substitute contractor(s). You will not receive any refund of any fees previously paid to us for these services.

7.5. You, as an independent operator of your Franchise, must control your day-to-day business activities and make strategic, operational, and other business decisions as you see fit, as long as you comply with the terms of this Agreement and act in a way consistent with the System and in a manner that preserves the integrity of the Marks. You have discretion over aspects of your business such as:

- 7.5.1. staffing decisions, supervision, and other issues related to your staff;
- 7.5.2. scheduling (however you should confer with your Customers about customer preferences on this);
- 7.5.3. which Customers you wish to accept; and
- 7.5.4. strategy and method of business expansion and negotiation and acquisition of Additional Customers or Supplemental Customers.

7.6. You acknowledge and agree that the System does not include any personnel policies or procedures or security-related policies or procedures that we (at our option) may make available to you in the Operations Manual or otherwise for your optional use. You will determine to what extent, if any, personnel or security-related policies and procedures might apply to operations at your business. We neither dictate nor control labor or employment matters for you and t employees and Franchisor is not responsible for the safety and security of Business employees or customers.

7.7. We and you are not joint employers of your employees and other personnel. We do not and will not share or codetermine any of your employees' essential terms and conditions of employment. More specifically, in no case do we have any authority to determine or set your employees': (1) wages, benefits, and other compensation; (2) hours of work and scheduling; (3) the assignment of duties to be performed; (4) the supervision of the performance of duties; (5) work rules and directions governing the manner, means, and methods of the performance of duties and the grounds for discipline; (6) the tenure of employment, including hiring and discharge; and/or (7) working conditions related to the safety and health of employees. You alone have sole authority to determine any or all your employees' essential terms and conditions of employment.

8. OPERATING STANDARDS

8.1. You acknowledge that the goodwill associated with the Marks and the success of franchises in the System are dependent on a consistently high standard of excellence in cleaning services and customer service, as well as uniform practices across franchises. You desire to benefit from this goodwill and the industry expertise inherent in the System's methods and practices.

As such, you will attend, or cause at least one of your managerial personnel (satisfactory to us) to attend, and successfully complete the Certification Program, and any other seminars, sessions, programs, consultations and advanced instructional modules that we deem necessary. If we, in our sole judgment, determine that you have failed to adequately familiarize yourself with the System, including through satisfactory participation in the Certification Program and other required instruction on the System and its methods, we may, at your expense (including our then standard consultation or certification fees), require you to retake the program, or we may terminate this Agreement. We may conduct all these programs and seminars at the times and locations as we reasonably determine.

- 8.2. You have the sole responsibility to hire and maintain your staff of qualified and competent employees. You are solely responsible for all your hiring decisions and for all obligations arising from your relationship with your employees, even if you use sample employment policies, procedures, or examples that we make available for your optional use. You must obtain background checks meeting the Maid Right specifications before allowing any employee on any Customer's premises. You also must obtain from each of your employees a signed statement in which the employee acknowledges that you are their employer, not us or the Master Franchisor. You must devote your best efforts to managing and operating your Franchise in order to protect the goodwill associated with the Marks.
- 8.3. You are responsible for maintaining your agreed schedule with your Customers, for notifying your Customers in advance of any scheduled services that you will miss, and for scheduling a substitute cleaning service if the Customer requests.
- 8.4. You are responsible for all keys and other methods of access to your Customers' residences and for exercising reasonable security procedures and observing all security procedures that your Customers' require.
- 8.5. To ensure that you deliver high quality cleaning, maintenance, and other services in a manner consistent with the goodwill associated with the Marks, you will purchase or lease equipment, chemicals, supplies, inventory, and any other products and services used to operate the Franchise solely in accordance with our written specifications or as your Customers otherwise designate. We will provide you with a list of approved suppliers and approved equipment and supplies. We may alter these specifications at any time in writing.
 - 8.5.1. You will, before the Start Date, get the initial equipment and supplies (the "Initial Equipment Package") we provide as part of your Initial Franchise Fee. As part of your Initial Equipment Package, we will lease to you one of our proprietary sprayer/fogger machines. The sprayer/fogger machine remains our property and must be returned to us on the termination or expiration of your Franchise Agreement. You will conduct the Franchise and serve your Customers according to the System specifications and at the high level of quality necessary to preserve the Marks.
 - 8.5.2. You will, at your expense, thereafter replace equipment and supplies as needed.
 - 8.5.3. In certain circumstances, we may offer to finance your additional equipment purchases. If we do, you must sign the Equipment Financing Agreement attached as Exhibit A.
- 8.6. In certain circumstances, we may offer to finance your additional equipment purchases.

If we do, you must sign the Equipment Financing Agreement If you propose to purchase or lease any equipment, supplies, inventory or other products or services from an unapproved supplier, or that does not comply with our specifications, you must submit to us a written request for our approval, or request the proposed supplier itself to do so. As a condition of our approval, which we may grant or withhold or revoke in our sole discretion, we may require that our representatives be permitted to inspect the proposed supplier's facilities, and that samples from the supplier be delivered, at our option, either to us or to an independent, certified laboratory we designate for testing. In the case of products involving new specifications, we may likewise require that samples of those products be delivered either to us or to an independent, certified laboratory we designate for testing. We are not liable for damage to any sample that may result from the testing process. You must pay a charge not to exceed the reasonable cost of the inspection and the actual cost of the testing. We may, at our option, re-inspect any approved supplier's facilities and products and continue to sample the products at the supplier's expense, and revoke approval if the supplier fails to continue to meet our specifications. We may require as a condition to our approval, that the supplier present satisfactory evidence of insurance, such as product-liability insurance, protecting us and our franchisees against all claims arising from the use of the supplied item(s) within the System.

8.7. You must comply with all federal, state, and local laws and regulations that apply to your Franchise (such as OSHA and employment laws), and maintain all permits, licenses, or certificates needed to operate your Franchise. You have 2 days to forward to us any inspection reports, warnings, or ratings that any governmental agency issues that indicate that you did not comply with a law or regulation.

8.8. You are an independently owned and operated business and may manage your Franchise and its day-to-day operations as you want, as long as you comply with this Agreement. You must have at least one person actively involved in the management of your Franchise. This person must be you or the manager you select. This person must have successfully completed the Certification Program and other required programs.

8.9. You must offer for sale all approved services and products for which you have been certified and for which you have all necessary equipment. You may not provide any services or products under the Marks we have not approved (or for which we have revoked our approval). You must comply with all System customer warranty programs and customer service programs we have.

9. CUSTOMER SERVICE STANDARDS

9.1. You will, at your expense, provide all labor, materials, tools, and other supplies and equipment necessary to service your customers. You will perform all services in a good and workmanlike manner and in accordance with the high standards associated with the Marks.

9.2. Ownership of a Customer immediately transfers to us if any of the following occurs:

9.2.1. any documented Misconduct occurs with respect to the Customer;

9.2.2. we receive the Customer's written request that its service be transferred to a different franchisee;

- 9.2.3. you sell cleaning services or similar supplies to a Customer outside of this Agreement, service the Customer in a capacity other than as our System franchisee (except as permitted under this Agreement), or fail to notify us of all services performed for the Customer as required under this Agreement; or
- 9.2.4. this Agreement is terminated, you violate this Agreement or any other agreement with us, you stop being a franchisee within the System or otherwise no longer want to service the Customer.

If you believe that a Customer has transferred to us unfairly, you have the right to submit to us a written request that special circumstances be considered. We will consider your request in good faith. You are not entitled to any refund or reduction of any fees previously paid for a revoked Customer.

10. ACCOUNTING AND RECORDS

- 10.1. You will maintain complete and accurate books and records for your Franchise's operations. Those books and records must not contain information not relating to your Franchise. Your books and records must be kept for at least 3 years (including after this Agreement expires or is terminated) from the dates they were prepared.
- 10.2. By the 10th day of each month, you will submit to us accurate records reflecting the previous month's entire Gross Monthly Revenue and all other information we require. These records must be on our form. At our request, within 90 days of the end of your fiscal year, you will submit copies of your Franchise's federal- and state-income tax returns.
- 10.3. During the Term and the 3-year period after the expiration or termination of this Agreement, and at our expense, we and our representatives may at any reasonable time on prior written notice to you, examine and copy your books and records and conduct a physical inventory.

11. PROPRIETARY MARKS

- 11.1. You may use the Marks only as permitted in this Agreement. We retain the right to use and grant others the right to use the Marks. All rights not granted to you in this Agreement concerning the Marks remain ours.
- 11.2. You may use the Marks only in accordance with the Maid Right standards and specifications. Without limiting the foregoing, you will:
 - 11.2.1. use the Marks only to operate your Franchise. You may not use the Marks for any other purpose. You may not use the Marks or any reproduction or imitation of the Marks in any way that is likely to cause confusion, mistake or deception or create the appearance that any non-authorized service or product is provided by or endorsed by us or the Master Franchisor.
 - 11.2.2. use the Marks as the sole trademark identifications for your Franchise, and prominently display the Marks on or with all materials we designate, and only as we authorize.

- 11.2.3. not use the Marks as security for your obligation or indebtedness.
 - 11.2.4. identify yourself as an independent franchisee and owner and operator of the Franchise when using the Marks, as provided in the Operation Manuals.
 - 11.2.5. sign all documents we request to protect the Marks or to maintain their continued validity and enforceability as trademarks.
 - 11.2.6. not use the Marks as part of your Entity name.
 - 11.2.7. not use the Marks or any similar names in any advertising or other written promotional materials or on the Internet or other electronic medium, without our prior written approval.
 - 11.2.8. not register any domain name containing the Marks or any similar names.
 - 11.2.9. not use or attempt to register any other trademarks, service marks, or other commercial symbols that are the same as or similar to any of the Marks.
 - 11.2.10. comply with our instructions concerning filing and maintaining the requisite fictitious, trade, or assumed-name registrations for the MAID RIGHT trade name, and sign all documents we or our counsel deems advisable to get protection for the Marks and Master Franchisor's interest in the Marks.
 - 11.2.11. Not use our name, logo, or your trade name on your paystubs, paychecks, checks to your suppliers, your HR manuals, employment applications, etc. You must only include not use our name your legal name on these documents.
- 11.3. You must promptly notify us of any suspected unauthorized use of, or any challenge to the validity or ownership of, the Marks, or our right to license or use the Marks, or your right to use, the Marks. We and the Master Franchisor have the right to determine what action, if any, we or the Master Franchisor will take against the unauthorized user or challenger. We make no warranty, expressed or implied as to the use, validity or enforceability of the Marks. We are not obligated to defend you against any third party claim, suit or demand arising out of your use of the Marks. If we choose to become a party to any litigation relating to your use of the Marks, you will sign all documents and perform all acts we believe advisable to conduct the defense.
- 11.4. Any use of the Marks outside the scope of this Agreement infringes our and Master Franchisor's rights in the Marks. Both during and after the Term, you will not, directly or indirectly, infringe or contest or aid in contesting the validity of, or our or Master Franchisor's right to, the Marks, or take any other action to damage these rights.
- 11.5. If, at any time, in our sole discretion, we think it advisable to modify or stop the use of any of the Marks or use one or more additional or substitute names or marks, for any reason, you will do so at your sole expense within 30 days of our request.

- 11.6. Except as granted in this Agreement, you have no ownership or other rights in the Marks. All goodwill associated with the Franchise inures exclusively to Master Franchisor's benefit and is Master Franchisor's exclusive property.

12. OPERATION MANUALS AND OTHER CONFIDENTIAL INFORMATION

- 12.1. To protect our and Master Franchisor's reputation and goodwill, and to maintain uniform standards of operation under the Marks, you will conduct your Franchise in a way that is consistent with the System manuals (collectively, with all other written specifications, standards, and requirements we distribute and as we modify, replace and/or supplement, the "Operation Manuals"). While you may determine how to best operate your business, provided that your operation complies with the terms of this Agreement and ensures the protection of the Marks, the Operation Manuals offer a guide for successfully operating within the System and include recommended methods of operation that are in compliance with this Agreement.
- 12.2. We will loan you one registered copy of each volume of the Operation Manuals (with periodic revisions as required). If any dispute arises as to the contents of the Operation Manuals, the terms in our master copy of each of the Operation Manuals are controlling. At all times, you will strictly limit access to the Confidential Information to your employees, to the extent they have a "need to know" to perform their jobs. You must report the theft, loss, or destruction of the Operation Manuals, or any portion thereof, immediately to us. In this case, we will loan a replacement copy to you at a fee of \$200 for each replaced Operation Manual. A partial loss or failure to update any Operation Manual is considered a complete loss.
- 12.3. At all times, you will treat and maintain the Confidential Information as our confidential information and trade secrets. "Confidential Information" means any knowledge, know-how, technologies, processes, techniques, and any other information that is not generally known by, or readily available to the general public, or that we designate as confidential, proprietary, or trade secrets. Confidential Information includes information relating to Customers and the Operation Manuals. Without our prior written consent, you will not copy, record, or otherwise reproduce any Confidential Information. You must require all persons to whom you grant access to the Operation Manuals or any other Confidential Information to sign a form of confidentiality agreement that we reasonably approve. You must promptly give us copies of these signed confidentiality agreements.

13. INSPECTIONS

To ensure the integrity of the Marks and protect Master Franchisor's goodwill, you will permit Master Franchisor, us, and our respective representatives to enter your office or other business premises, and the locations where you perform services for your customers, to conduct inspections and to observe your business activities at any time during normal business hours. On notice from us or Master Franchisor, and without limiting our other rights under this Agreement, you will take all steps necessary to immediately correct any deficiencies detected during any inspection that, in our or Master Franchisor's judgment, may diminish the value of or otherwise endanger the Marks or Master Franchisor's goodwill.

14. INSURANCE

- 14.1. You will maintain the types and amounts of insurance we require. This insurance is in addition to any other insurance that may be required by applicable law. The policies that we require must be written by an insurance company reasonably satisfactory to us with a Best rating of "A-" or better, and, to the extent permitted by law, must name us and Master Franchisor as additional insureds. At a minimum, these policies must include the following:

- 14.1.1. janitorial bonding of at least \$25,000;
- 14.1.2. workers' compensation insurance for you and all of your employees with a minimum coverage of \$100,000 or the minimum state law coverage, whichever is higher, and all unemployment insurance required under state and federal laws to maintain a proper unemployment insurance customer account; and
- 14.1.3. comprehensive liability insurance covering property damage, loss and personal injury of at least \$1,000,000 per occurrence, \$2,000,000 in the aggregate, and automobile liability of at least \$1,000,000, personal injury and property damage insurance; this comprehensive liability insurance may not have an exclusion for property in your care, custody, or control.

At any time, we may change the amounts of coverage required under your insurance policies and require different or additional kinds of insurance, including excess liability insurance, to reflect inflation, identification of new risks, changes in laws or standards or other relevant changes in circumstances.

- 14.2. Before your Start Date, you must provide us with a certificate of insurance showing your compliance with the insurance requirements in this Agreement. The certificate of insurance must include a statement by the insurer that the policy or policies will not be canceled, subject to nonrenewal, or materially altered without at least 30 days' (10 days for nonpayment of premiums) prior written notice to us. On our request each year, you must supply us with a certificate of insurance showing compliance with the requirements in Section 14.1.
- 14.3. If, for any reason, you don't have the required insurance, we have the right (but not the duty) to immediately get this insurance for you. If we do so, we will charge you for the cost of the insurance, plus interest at the Contract Interest Rate. You will immediately pay us these charges.
- 14.4. We may allow you to participate in a group insurance plan (the "Business Protection Program") that provides general liability insurance, workers' compensation insurance (where available) and bonding to us and our participating franchisees through an insurance company that names us and you as insureds. The cost of the Business Protection Program may include, in addition to premiums, fees payable to us for administering the Program. The amount of this fee is stated on the Summary Page.

- 14.5. You agree and acknowledge that our review of and/or consent to any of your insurance policies is solely for our benefit and is not a guaranty that your insurance coverage is sufficient. You further agree and acknowledge that you are solely responsible for determining whether or not your insurance coverage is sufficient for the Franchised Business.

15. DEFAULT AND TERMINATION

- 15.1. Subject to applicable law, this Agreement automatically terminates without notice or opportunity to cure on the date of the occurrence of any of the following events of default: you become insolvent or make a general assignment for the benefit of your creditors; you file for bankruptcy or a petition in bankruptcy is filed against or consented to by you and the petition is not dismissed within 45 days; you are adjudicated bankrupt; a bill in equity or other proceeding for the appointment of a receiver of you or other custodian for your business or assets is filed and consented to by you; a receiver or other custodian (permanent or temporary) of your business or assets is appointed by any court of competent jurisdiction; proceedings for a composition with creditors under federal or any state law is filed by or against you; a final judgment in excess of \$5,000 remains unsatisfied or of record for 30 days or longer (unless a supersedeas bond is filed); execution is levied against your property; or a substantial portion of your property used in the Franchise is sold after levy thereon by any sheriff, marshal, or constable.

Within 3 days of the occurrence of any of the events in this Section, you must provide us with written notice.

- 15.2. If any of the following events occurs, we may—by written notice but without providing you with any opportunity to cure—immediately terminate this Agreement:
- 15.2.1. you fail to attend and successfully complete, or cause at least one of your managerial personnel satisfactory to us to attend and successfully complete, the Certification Program or any other program required under Section 7.1;
 - 15.2.2. you fail to pay us or our affiliate any amount you owe us under this Agreement or any other agreement (including under any Promissory Note) within 10 days after we deliver a Notice of Default (as defined below);
 - 15.2.3. you fail to pay any third-party supplier or creditor any amount due within 10 days after we deliver a Notice of Default, unless you notify us that there is a good-faith dispute over the amount due and take immediate action to resolve that dispute;
 - 15.2.4. you or any of your owners make any material misrepresentation in getting the Franchise, including in any franchise application submitted to us;
 - 15.2.5. you abandon your Franchise or, for more than 7 consecutive days or 14 days in any calendar year, you fail to conduct the Franchise (including failing to service any Customer for this period); or you

otherwise forfeit the right to do or transact business in the jurisdiction where your Franchise is located or lose any license or permit needed to operate your Franchise;

- 15.2.6. a serious or imminent threat or danger to public health or safety results from operating your Franchise and the threat or danger remains uncorrected for 24 hours after we or any governmental authority delivers written notice of it to you (or any shorter cure period as the governmental authority permits);
- 15.2.7. you fail or refuse to comply with any specification, standard or operating procedure we require in this Agreement, in the Operation Manuals, or otherwise in writing, relating to the Marks, including any safety, sanitation, or environmental concerns or violate any health, safety, or sanitation law, ordinance, or regulation that may harm the integrity of and goodwill associated with the Marks, and do not correct the failure or refusal within 3 days after we or any governmental authority delivers written notice of it to you (or any shorter cure period as the governmental authority permits);
- 15.2.8. you, or any of your officers, directors, owners or managerial employees commits, is convicted of, or pleads *nolo contendere* to, a felony, a crime of moral turpitude or any other crime or offense that we believe is likely to have a material adverse effect on the System, the Marks, the goodwill associated with the Marks, or our or Master Franchisor's interest in any of the Marks unless you immediately and legally terminate that individual as an officer, director, owner, or employee and take all other corrective action we require;
- 15.2.9. you deny us the right to inspect your Franchise or to inspect or audit the sales and accounting records of your Franchise;
- 15.2.10. you, or any of your officers, directors, owners or managerial employees engages in conduct that is deleterious to, or reflects unfavorably on, you, us, or the System and the Marks; or you or any of your officers, directors, owners or managerial employees engage in conduct that exhibits a reckless disregard for the physical or mental well-being of employees, customers, our representatives, or the public at large (such as theft, battery, assault, sexual harassment or discrimination, racial harassment or discrimination, alcohol or drug abuse, or other forms of threatening, outrageous, or unacceptable behavior);
- 15.2.11. you make a transfer in violation of Article 18 of this Agreement;
- 15.2.12. an approved transfer is not completed as required by Section 18.6 following a Covered Owner's death or permanent disability;
- 15.2.13. any breach occurs under Section 12.3 (regarding Confidential Information) or Article 17 ("NONCOMPETITION");

- 15.2.14. you knowingly maintain false books or records, or knowingly submit any false reports to us;
 - 15.2.15. you violate Article 11 (“PROPRIETARY MARKS”) or otherwise impair the goodwill associated with the Marks or our or Master Franchisor’s rights in the Marks;
 - 15.2.16. you fail to have insurance as required under Article 14;
 - 15.2.17. during any 12-consecutive-months, you receive from us 2 or more Notices of Default—whether for the same or different defaults, even if the defaults were cured; or
 - 15.2.18. except as otherwise provided above, you or any of your affiliates default under any other agreement with us or any of our affiliates and the default is not cured as required by the applicable agreement.
- 15.3. In addition to the defaults in Sections 15.1 and 15.2, you are in default under this Agreement if you fail to comply with any other requirement imposed by this Agreement. Except as otherwise provided above, you have 30 days after we send a Notice of Default to cure any default and provide evidence of cure satisfactory to us. If any default described in a Notice of Default is not cured within the stated time, or any longer time as applicable law requires, we may immediately terminate this Agreement. To the extent a cure is permitted under this Agreement, you have the burden of proving that you properly and timely cured any default. A “Notice of Default” is a written notice briefly describing a default under this Agreement.
- 15.4. The termination of this Agreement is without prejudice to any remedy, right, or claim that we have against you under this Agreement or in law or equity.

16. OBLIGATIONS ON EXPIRATION OR TERMINATION

On the expiration or termination of this Agreement, all rights granted under this Agreement to you terminate immediately, and the terms of this Article apply to the rights and obligations of the parties. The provisions of this Article are intended, among other things, to enable us, if we choose, to immediately, without any interruption, arrange for the continued servicing of your Customers, including, at our option, by arranging for substitute contractors to perform any work required to service the Customers or by transferring the Customers to another System franchisee.

- 16.1. You must immediately stop operating your Franchise (including servicing any Customers). Thereafter, you must not, directly or indirectly, use, talk or write negatively about any of the Marks, Confidential Information, or any aspect of the System. You will not represent yourself as our present or former franchisee or in any other way associate yourself with the System or the Marks. You will immediately stop using all stationery, signage, bills, invoices, and any other materials containing the Marks.
- 16.2. You will immediately deliver to your Customers or us, as each Customer designates, all keys, security codes, and any other means of access to the Customers’ residences. Before the expiration or sooner termination of this Agreement, when you stop servicing any Customer, you will immediately deliver to the Customer or us all that Customer’s keys,

security codes, etc. If you fail to timely do so, you must pay us \$500 for each day that you do not comply with this Section. Our damages from your failure to comply with this Section are difficult to ascertain and this amount is liquidated damages and not a penalty.

- 16.3. We may retain all fees you paid under this Agreement. In addition, within 10 days after termination or expiration (or any later date(s) as we determine that amounts are due to us), you will pay us all Revenue Acquisition Fees, Special Services Revenue Fees, Royalty Fees, Support Fees, Complaint Fees, amounts owed for products or services you purchased from us or our affiliates, and any other unpaid amounts you owe to us or our affiliates (including all outstanding principal and interest due under any Promissory Note you signed).
- 16.4. If you continue to operate, or later begin to operate, any other business, you may not, in that business or the promotion of that business, use any reproduction or imitation of the Marks, imitate any methods of operation, or undertake any other conduct that is likely to cause confusion, mistake, or deception, or that is likely to dilute our or Master Franchisor's rights in and to the Marks. You will not at any time after expiration or termination use or attempt to register (or assist any third party to do the same) any trademarks, service marks, or other commercial symbol that is the same as or similar to any of the Marks. In addition, you will not use any designation of origin or description or representation that falsely suggests or represents an association or connection with Master Franchisor, us, or any of our respective affiliates. If you do this it is considered unfair competition.
- 16.5. At your expense, you will immediately deliver to us all Confidential Information and information and documents relating to your Customers, or otherwise to the Franchise (together with all copies and any other forms of reproductions of these materials) in your possession or control. All this Confidential Information and information and documents, and copies of them, are our exclusive property.
- 16.6. At your expense, you will immediately deliver to us our sprayer/fogger machines and any of our other proprietary equipment.
- 16.7. Not later than 30 days after the expiration or sooner termination of this Agreement, you will cancel any assumed-name or equivalent registration involving the Marks and will furnish us with satisfactory evidence that you have done so.

17. NONCOMPETITION

- 17.1. We would be unable to protect the System and Confidential Information against unauthorized use or disclosure, and would be unable to encourage a free exchange of ideas and information among franchisees within the System if franchisees were permitted to solicit or otherwise induce Customers that you service under the Marks to be serviced by you or a third party other than as a franchisee of the System under the Marks.

Accordingly, during the Term and during the 12 months after the expiration or sooner termination of this Agreement, neither you nor any of your owners, officers, or directors (you and all these other persons, collectively, the "Restricted Parties" and, individually, a "Restricted Party") may, directly or indirectly:

- 17.1.1. solicit or otherwise attempt to induce (by combining or conspiring with, or attempting to do so), or influence in any other manner any of our Business Affiliates (as defined below) to terminate or modify his, her, or its business relationship with us or to compete against us. A "Business Affiliate" is any of our employees, officers, directors, agents, consultants, representatives, contractors, suppliers, distributors, franchisees, customers (including yours), or other business contacts.
- 17.1.2. in any manner interfere with, disturb, disrupt, impair, diminish, or otherwise jeopardize our or any of our franchisees' businesses.

Nothing in this Section will prevent you from otherwise engaging in competitive activities, such as (1) providing cleaning or related services to customers who have not in the previous 12 months been serviced by you or any other person under the Marks, or (2) offering to any customers, including customers otherwise serviced under the Marks, services other than residential cleaning, or related services. However, you will not in the performance of these services represent yourself as a franchisee of the System or otherwise claim any affiliation with the Marks.

- 17.2. If you violate Section 17.1.1, you must pay to us a lump sum payment (as liquidated damages for causing the loss of Customers and not as a penalty) equal to the total of all Royalty Fees and Support Fees for the lost Customers for 12 months. The parties agree that a precise calculation of the full extent of the damages that we will incur as a result of your default is difficult and the parties desire certainty in this matter, and agree that the lump sum payment provided under this Section is reasonable in light of the damages that we will incur in this event. This payment is not exclusive of any other remedies that we have.
- 17.3. Both during and after the Term, none of the Restricted Parties may disparage, by any means, Master Franchisor or us or our affiliates or any of our or their respective officers, directors, stockholders, employees, or representatives, or any aspect of the MAID RIGHT System, or the Marks.
- 17.4. You and each Restricted Party agree that the scope of activities prohibited in this Article, and the length of the term, are necessary to protect our legitimate business interests, including in the Marks, and are fair and reasonable. You and each Restricted Party's full, uninhibited, and faithful observance of each of the covenants in this Section will not cause any undue hardship, financial or otherwise. Your and the other Restricted Parties' special knowledge of the System (and anyone acquiring this knowledge through you or the other Restricted Parties) is such as would cause us and our franchisees serious injury and loss if you or a Restricted Party (or anyone acquiring this knowledge through you or the other Restricted Parties) were to use this knowledge to the benefit of a competitor or were to compete with us or any of our franchisees.

- 17.5. If any court or arbitrator finally holds that any provision in this Article is an unreasonable restriction on you or the other Restricted Parties, the provisions of this Agreement are not rendered void, but apply to the extent as the court or arbitrator concludes is a reasonable restriction under the circumstances. The time periods stated in this Article are suspended during any period in which you or any of the other Restricted Parties is breaching any of these terms or involved in a legal action or proceeding challenging the validity or enforceability of these terms.
- 17.6. All your owners and your managerial employees and all other persons to whom we provide instruction under this Agreement must sign your noncompetition and confidentiality agreement containing provisions similar to those in this Article before acquiring their ownership interest or beginning employment or training. You will promptly deliver copies of the signed agreements to us. We are a third-party-beneficiary under these agreements, with an independent right to enforce those agreements in our own name.
- 17.7. The terms in this Article are to be construed as independent of any other provision of this Agreement. The existence of any claim you or any other Restricted Party may have against us or any of our affiliates (regardless of whether arising from this Agreement) is not a defense to the enforcement of this Article against you or any other Restricted Party.

18. TRANSFER OF INTEREST

- 18.1. Without your consent, we have the absolute right to transfer or delegate to any person any or all of our rights or obligations in, to, or under this Agreement. To the extent that our transferee assumes in writing our obligations under this Agreement, within 7 days of our delivery of written notice of transfer, you will sign and deliver to us a written release from those obligations.
- 18.2. The rights and duties in this Agreement are personal to you. We grant the Franchise in reliance on our assessment of your, and your owners', business and personal skill, reputation, aptitude, and financial capacity. Accordingly, unless otherwise permitted by this Agreement, without our prior written consent, you will not sell, assign, convey, or otherwise dispose of—voluntarily, involuntarily, directly or indirectly, by operation of law or otherwise—this Agreement or any direct or indirect interest in this Agreement. (For the purposes of this Article, the term “transfer” refers to any of these actions.) Our consent to any transfer will not be unreasonably withheld.

You must provide us with prior written notice of any transfer of voting or ownership interests in your Entity, even if it does not constitute a transfer of an interest in this Agreement as provided in the next sentence. A transfer of 25% or more of the voting or ownership interests—individually or in the aggregate, directly or indirectly—is considered your transfer of an interest in this Agreement, as is a transfer of all or substantially all your assets used to operate the Franchise. For any purported or attempted transfer of an interest in this Agreement without our prior written authorization, by operation of law or otherwise, the transfer is null and void, and a material breach of this Agreement.

- 18.3. Neither you nor your owners (or their respective owners) may create, permit, or suffer a lien against, nor pledge, grant a security interest in, or in any manner encumber this Agreement (or any interest in this Agreement).
- 18.4. Before we consent to a transfer of an interest in this Agreement, we may impose any or all of the following reasonable conditions on the transfer:
- 18.4.1. you have paid us everything that you owe us (including under any Promissory Note you signed or any other debt obligations);
 - 18.4.2. you are not then in default under this Agreement or any other agreement between you and us or our affiliates;
 - 18.4.3. you sign a general release of all claims against us, our affiliates, the Master Franchisor, and our and their respective officers, directors, owners, representatives, agents and employees (in their corporate and individual capacities);
 - 18.4.4. the transferee enters an assumption agreement, in form and substance satisfactory to us, under which it assumes all of your obligations under this Agreement; or, if we request, the transferee signs the form of franchise agreement we then offer to new franchisees (for a term equal to the then remaining Term of this Agreement) and all other ancillary agreements as we require for the Franchise; the terms of the agreements may differ substantially from those of this Agreement—such differing terms may include higher fees;
 - 18.4.5. if the transferee is an Entity, its owners enter our then-standard form of personal guaranty, under which they, jointly and severally, guaranty the transferee's obligations under this Agreement (or the new form of franchise agreement discussed in Section 18.4.4, as the case may be) and any related agreement;
 - 18.4.6. the transferor pays us a Transfer Fee; if we require the transferee to enter a new franchise agreement, the transferee need not pay any initial franchise fee, the Transfer Fee being in lieu thereof; the "Transfer Fee" is the greater of: \$1,500 or 8% of your total Gross Monthly Revenue for the 12-month period ending on the last day of the calendar month before the month in which the transfer is to occur (if the transfer is to your business entity, your partner or a member of your immediate family, the Transfer Fee is reduced to \$100);
 - 18.4.7. the transferee has demonstrated to our satisfaction that the transferee has the business and personal skills, reputation, and financial capacity we require;
 - 18.4.8. the transferee has satisfactorily completed our application procedures for new franchisees;

- 18.4.9. the transferee has demonstrated to our sole satisfaction that it, he, or she has properly assumed, and will be able to comply with, all of its, his, or her obligations for the Franchise;
- 18.4.10. at the transferee's expense (including our then-current fee), and on terms we reasonably require, the transferee (or its owners if it is an Entity) has completed any initial instructional and certification programs then required under the System for new franchisees; and
- 18.4.11. you and the transferee timely satisfy any other conditions we reasonably impose.

Our approval of a proposed transfer is not an expression of our opinion on the appropriateness or fairness of the terms of the transfer or the likelihood of the transferee's success. If we disapprove of the transfer because all the transfer conditions in this Section or elsewhere in this Agreement have not been satisfied (or for any other reason), we have no liability of any nature to you or the transferee.

Our consent to any transfer is not a waiver of any claims we have against you. Even if we approve the transfer, no transfer releases you of liability for your conduct before the transfer.

If a Covered Owner (as defined below) dies; or is disabled from any cause and, as a result, for a continuous period of more than 3 consecutive months, is unable to perform his or her obligations under this Agreement, then, within 30 days thereafter, you (or your legal representative) will hire and maintain a Qualified Replacement satisfactory to us to perform the obligations. "Covered Owner" means anyone who is an owner of you. If a satisfactory Qualified Replacement is not hired or maintained as required, we may hire and maintain a Qualified Replacement on your behalf, and for your account. You will compensate the Qualified Replacement for his or her services at the rate we establish in our reasonable discretion. For the purposes of this Agreement, any period of disability that is interrupted by a return to active work and proper performance of duties under this Agreement for 14 days or less is considered continuous.

- 18.6 Within 6 months of any Covered Owner's death or permanent disability, that individual's estate or his or her representative must transfer his or her interests in you (or in any of your owners) or in this Agreement in accordance with the terms of this Article. No Transfer Fee need be paid, however.

19. INDEPENDENT BUSINESS OWNER AND INDEMNIFICATION

- 19.1 This Agreement does not create a fiduciary relationship between you and us. You are an independent business owner. Nothing in this Agreement is intended to appoint either party an agent, legal representative, subsidiary, joint venturer, joint employer, partner, employee, affiliate or servant of the other party for any purpose whatsoever. Nothing in this Agreement authorizes either party to make any contract, agreement, warranty, or representation on behalf of the other party. Neither party may incur any debt or other obligation in the other party's name unless the right to do so is explicitly stated in this Agreement. You will take all action we request to notify the public that you are an independent business owner. These actions may include placing and maintaining a plaque in a conspicuous place within your office and a notice on all stationery, business cards, sales literature, contracts, and similar documents that states that you own and independently operate your Franchise. The content of these items is subject to our prior written approval.
- 19.2 **You agree that, because you are an independent business owner, and not our employee, you and not us, must make all periodic filings and payments for your business for all federal and state taxes, payments, or filings required to be paid or made (including all income, unemployment, and payroll taxes, such as FICA, FUTA, and SECA payments). Your agreement to this has materially induced us to enter this Agreement and but for your making this agreement, we would not have done so. At all times, you will operate the Franchise, and otherwise act in connection therewith, as an independent business owner, and will not act, or omit to act, in any manner that will cause you or your employees to be considered our or Master Franchisor's employees for any purpose.**
- 19.3 You will indemnify Master Franchisor and us from all actions, judgments, damages, liabilities, claims, losses, costs, and expenses (including reasonable paralegal and legal fees and other expenses, even if incident to appellate, post-judgment, or bankruptcy proceedings) to which we or Master Franchisor becomes subject, or that either incurs, arising from or relating in any manner to your ownership or operation of your Franchise. Examples of the claims covered by this indemnity include claims relating to: maintaining or operating vehicles; your being characterized as our employee by any federal or state court or agency or that we or you are joint employers of any of your employees or personnel; and your failing to act as an independent business owner or failing to pay any income, unemployment, or payroll tax or file any related return, or otherwise defaulting under Section 19.2. You will not have to indemnify us for any matter caused by our gross negligence or intentional misconduct. Notwithstanding the expiration or sooner termination of this Agreement, this indemnity continues in full force and effect. In addition to covering Master Franchisor and us, this indemnity also covers our respective affiliates and their and those affiliates' respective owners, officers, directors, employees, agents, and representatives.
- 19.4 *You agree that you have no relationship of any kind with Master Franchisor, and that Master Franchisor is not a party to this Agreement nor any other Agreement related to your Franchise. You agree that Master Franchisor is in the business of licensing its System and Marks to regional master franchisees, and has licensed its System and Marks to us with a right to sublicense same, and that no obligation or connection of any kind or character flows from Master Franchisor to you by virtue of that fact or by virtue of any other fact or circumstance.*

20. MEDIATION, ARBITRATION, AND EQUITABLE RELIEF

- 20.1 Subject to Section 20.7, any party seeking formal resolution of a Dispute (as defined below) will, before any arbitration proceeding may be filed, submit the Dispute to nonbinding mediation before the CPR Institute for Dispute Resolution ("CPR") in accordance with its national franchise-mediation program. If CPR is unable to conduct the mediation, the Dispute may be submitted to the American Arbitration Association or any other mutually agreeable mediator. Before any mediation, all parties will sign a confidentiality agreement reasonably satisfactory to us. All parties must attend mediation. For the purposes of this Agreement, "Dispute" means any dispute or disagreement arising under this Agreement, including any dispute or disagreement in any way related to or arising out of this Agreement (including any dispute relating to arbitration, including the arbitrability of this Agreement or any of its provisions), our offer, sale, or negotiation of your Maid Right franchise, or the relationship of the parties or from entering this Agreement, or any claim that this Agreement, or any part or provision of this Agreement (including Section 20.2), is invalid, illegal, or otherwise voidable or void or unenforceable.
- 20.2 Subject to Sections 20.1 and 20.7, all Disputes must be submitted to arbitration before the American Arbitration Association (or any other mutually agreeable arbitration association) in accordance with its commercial arbitration rules only, even if you designate that the claim is subject to any other arbitration rules.
- 20.3 The provisions of this Article must be construed as independent of any other provision of this Agreement. If a court or arbitrator of competent jurisdiction determines that any provisions are unlawful in any way, that court or arbitrator is to modify or interpret the provisions to the minimum extent necessary to have them comply with the law. Notwithstanding any provision of this Agreement relating to the state laws by which this Agreement must be governed and construed, all issues relating to arbitrability or the enforcement of the agreement to arbitrate in this Agreement must be governed by the United States Arbitration Act (9 U.S.C. § 1 et seq.) and the Federal common law of arbitration.
- 20.4 Judgment on an arbitration award may be entered in any court of competent jurisdiction. This judgment is binding, final, and nonappealable.
- 20.5 The arbitration and mediation provisions in this Article are self-executing and remain in full force and effect after the expiration or termination of this Agreement. If either party fails to appear at any properly noticed arbitration proceeding, notwithstanding the failure to appear, an award may be entered against that party by default or otherwise.
- 20.6. Each party bears its own costs with respect to mediation and arbitration. The fees for mediation and arbitration payable to the mediator or arbitrator, and their applicable agency, however, will be split equally. Mediation and arbitration must take place in the county in which our principal office is then located, or if the mediator or arbitrator cannot conduct mediation or arbitration there, the nearest county thereto where it can.
- 20.7. Notwithstanding anything in this Agreement to the contrary, the obligation to mediate or arbitrate is not binding on either party with respect to any Dispute that includes a request

for a restraining order, injunction, or other procedure to get specific performance in a court of competent jurisdiction when that court considers the restraining order, injunction, or specific performance necessary to preserve the status quo or prevent irreparable injury pending resolution of the actual dispute between the parties by mediation or arbitration. Notwithstanding anything in this Agreement to the contrary, we may seek injunctive relief in any jurisdiction that has jurisdiction over you or any other party against whom this relief is sought.

- 20.8. *Mediation and arbitration must be of our and your individual claims. None of the parties' respective claims may be mediated or arbitrated on a class-wide basis, nor joined with any third-party claim.*

21. ACKNOWLEDGMENTS AND REPRESENTATIONS

- 21.6. You represent and warrant that all documents you give to us to get the Franchise, and as required in the future, have been and will be true and complete documents (including all amendments) and have no misleading or incorrect statements or material omissions.
- 21.7. You agree that you received from us a franchise disclosure document at least 14 calendar days before signing this Agreement or any other binding agreement with, or making any payment to, us or our affiliate for this franchise.
- 21.8. You agree to the following:

YOU AGREE THAT, IN ALL OF YOUR DEALINGS WITH OUR OWNERS, OFFICERS, DIRECTORS, EMPLOYEES, AND REPRESENTATIVES, EACH ACTS ONLY IN A REPRESENTATIVE CAPACITY AND NOT IN AN INDIVIDUAL CAPACITY.

WE MAKE NO WARRANTY AS TO YOUR ABILITY TO OPERATE THE FRANCHISE IN THE JURISDICTION IN WHICH THE FRANCHISE IS TO BE OPERATED. IF LEGISLATION ENACTED, OR REGULATION PROMULGATED, BY ANY GOVERNMENTAL BODY PREVENTS YOU OR US FROM OPERATING THE FRANCHISE UNDER THE TERMS OF THIS AGREEMENT, WE ARE NOT LIABLE FOR DAMAGES OR TO RETURN ANY MONIES RECEIVED FROM YOU.

22. GENERAL PROVISIONS

- 22.1. You, and each of your successors under this Agreement, forever release and discharge Master Franchisor and its affiliates, us and our affiliates, our designees, and agents, and their respective officers, directors, representatives, employees and agents, from all claims of any kind, in law or in equity, that may exist as of the Effective Date relating to this Agreement or any other agreement between the parties, or relating in any other way to the conduct of us or Master Franchisor and our and its respective affiliates, designees, or other agents, and our and their respective officers, directors, representatives, employees and agents before the Effective Date, including for example, all claims, whether presently known or unknown, suspected or unsuspected, arising under the franchise, business opportunity, securities, antitrust or other laws of the United States, any state or locality.
- 22.2. The provisions of this Agreement may be changed only by a written document signed by both parties and making specific reference to this Agreement. This Section is subject to the terms of Article 12.

- 22.3. During the Term, we may change the System (including the types of goods and services your Franchise offers). You are bound by these changes to the System as if they were part of this Agreement at the time it was signed. You will pay all costs as we reasonably require you to timely implement and comply with any changes.
- 22.4. All of the terms of this Agreement, whether so expressed or not, are binding on, inure to the benefit of, and are enforceable by the parties and their respective personal representatives, legal representatives, heirs, successors, and permitted assigns.
- 22.5. All notices under this Agreement must be in writing, and must be hand delivered, sent overnight by a nationally recognized carrier, or mailed by certified mail (postage prepaid), return receipt requested, addressed to the appropriate party at its address stated on the Summary Page or to any other address as that party designates by notice complying with this Section. Notice that is properly sent and addressed is deemed delivered: (a) on the date delivered if by personal delivery or overnight carrier; or (b) on the date on which the return receipt is signed, delivery is refused or the notice is designated by the postal authorities or carrier as not deliverable.
- 22.6. The headings and subheadings in this Agreement are for convenience of reference only and do not affect the meaning of this Agreement.
- 22.7. If any provision of this Agreement, or any other agreement entered into under this Agreement, is contrary to, prohibited by, or deemed invalid under applicable law or regulation, that provision is inapplicable and deemed omitted to the extent so contrary, or prohibited.
- 22.8. A waiver by any party of any breach of this Agreement will not be construed as a waiver of any continuing or succeeding breach of that provision, a waiver of the provision itself, or a waiver of any right or remedy under this Agreement.
- 22.9. Notwithstanding the provisions of Section 20.6, if we engage legal counsel or other professionals due to your failure to pay when due any monies owed under this Agreement or submit when due any reports, or any other failure to comply with this Agreement, you will reimburse us on demand for all reasonable costs we incur for engaging legal counsel and other professionals (including reasonable legal fees, and court costs), whether or not a legal action or other proceeding is filed.
- 22.10. Subject to Article 20, each of the parties irrevocably and unconditionally agrees that any suit, action or legal proceeding arising out of or relating to any Dispute must be brought only in the federal and state courts of record for the state and county where our principal office is located on the date that the proceeding is filed; consents to the jurisdiction of these courts in any suit, action, or proceeding; and waives any objection that he, she or it may have to the laying of venue of any suit, action, or proceeding in any of these courts.
- 22.11. Except as otherwise provided in this Agreement, no remedy in this Agreement conferred on any party is intended to be exclusive of any other remedy. Every remedy is cumulative and is in addition to every other remedy given under this Agreement or applicable law or in equity.

- 22.12. This Agreement is not binding until it is signed by our duly authorized officer. This Agreement may be signed in 2 or more counterparts, each of which is an original, but all of which together constitute one and the same instrument.
- 22.13. Whenever our consent or approval is required under this Agreement, our consent or approval must be in writing and signed by our duly authorized officer.
- 22.14. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051 et seq.) or the United States Arbitration Act (9 U.S.C. §§ 1 et seq.), this Agreement and any related agreement must be construed and enforced in accordance with, the internal laws of the state where our principal office is located when this Agreement is signed, without regard to its conflict-of-laws principles.
- 22.15. No party may file mediation, arbitration, or litigation of any Dispute more than 1 year after the facts underlying the Dispute occur.
- 22.16. Each of the parties has been or has had the opportunity to have been represented by their own counsel throughout the negotiations, and the signing of this Agreement and all the other documents signed with this Agreement. Therefore, while this Agreement is effective and after its expiration or sooner termination, none of the parties may claim or assert that any provision of this Agreement or of the other documents should be construed against the drafter.
- 22.17. This Agreement, its Exhibits and all other written agreements involving this Agreement and expressly referenced in this Agreement, represent the entire understanding and agreement between the parties on the subject matter of this Agreement and supersede all other negotiations, understandings and representations, if any, made between the parties. No representations, inducements, promises or agreements, oral or otherwise, if any, not embodied in this Agreement, its Exhibits and all other written agreements concerning this Agreement and expressly referenced in this Agreement are of any force and effect. Notwithstanding the foregoing, nothing in this Agreement will disclaim or require you to waive reliance on any representation we made in the franchise disclosure document (including exhibits and amendments) delivered to you or your representative before you signed this Agreement.
- 22.18. All our and your respective obligations that expressly or by their nature survive the expiration or sooner termination of this Agreement continue in full force and effect after and notwithstanding its expiration or termination.
- 22.19. Neither we nor you will be liable for loss or damage, or deemed in breach of this Agreement, if the failure to perform our or your obligations results from causes beyond our or your reasonable control, such as computer malfunctions, extreme weather and climatic conditions, inadequate supply of equipment or energy, compliance with applicable law, war, acts of terrorism, strikes, or acts of God.
- 22.20. If you consist of more than one person, the reference to “you” in this Agreement refers to any or all of the persons provided, however, all persons are jointly and severally liable for your obligations under this Agreement.

- 22.21. Except as provided in this Section and elsewhere in this Agreement to the contrary, nothing in this Agreement, whether express or implied, confers any rights or remedies under or by reason of this Agreement on any persons (including other MAID RIGHT franchisees) other than the parties and their respective personal or legal representatives, heirs, successors, and permitted assigns. However, Master Franchisor is a third-party beneficiary under this Agreement for purposes of enforcing trademark rights and may independently enforce your obligations on usage of the Marks in its own name—it may do so even if we fail to properly or promptly do so.
- 22.22. If you default in performing any of your obligations under this Agreement, we have the right (but not the duty) to arrange for the performance of your obligations by third parties as we deem appropriate. If we do, you will immediately reimburse us for the actual costs of this performance. Interest accrues on all amounts due us under this Section at the Contract Interest Rate beginning on the 10th day after our demand for reimbursement.
- 22.23. *To the fullest extent permitted by law, the parties mutually and willingly waive any right to, or claim for, any punitive or exemplary damages against the other, even if authorized by statute. On a dispute between the parties, each is limited to recovering only the actual damages it sustains. You also willingly waive any claim you may later have for any damages resulting from your being classified as our employee instead of our franchisee, including for example, lost wages, minimum wages, overtime wages, etc. . Notwithstanding, if an arbitrator or court of competent jurisdiction finds that you are our or the Master Franchisor's employee, you agree that you will return to us all payments that we made to you to the extent that these payments exceed what you would have earned at the applicable minimum wage.*
- 22.24. *The parties mutually and willingly waive the right to a trial by jury of all claims made between them whether now existing or arising in the future—including all claims, defenses, counterclaims, cross claims, third-party claims and intervenor's claims—whether arising from or related to the sale, negotiation, signing, or performance of the transactions to which this Agreement relates. None of the parties' respective claims may be litigated on a class-wide basis, nor joined with any third-party claim.*
- 22.25. All your legal and beneficial owners must sign the Joinder provided below. By doing so, each owner agrees that he or she is bound by this Agreement as if he or she were you under this Agreement and agrees that he or she is jointly and severally liable with the other owners and you for all your obligations under this Agreement. Likewise, all Restricted Parties (other than you and your owners) will enter the Restricted Party Joinder provided below.

[remainder of page intentionally left blank]

The parties are signing this Agreement on the Effective Date.

US:

YOU:

Double Bar Cleaning, LLC

[Insert legal name of franchisee]

By:

(signature)

Name: _____

Title: _____

Date: _____

By:

(signature)

Name: _____

Title: _____

Date: _____

JOINDER

The parties signing below are all your beneficial and legal owners. Each of these parties agrees that he or she is jointly and severally liable with each other and you for the timely and complete performance and payment of all your obligations under the Agreement and is bound by all the terms of the Agreement as if he or she were you under the Agreement (and is bound by all the provisions of the Agreement applicable to Restricted Parties under Article 17).

Print Name: (signature)

Print Name: (signature)

Print Name: (signature)

Print Name: (signature)

RESTRICTED PARTY JOINDER

Each of the parties signing below, being a "Restricted Party" under Article 17 of the Agreement, agrees that he or she is bound by the terms of that Article and all other provisions in the Agreement on preserving our Confidential Information and trade secrets, including those in Article 12.

Print Name: (signature)

Print Name: (signature)

Print Name: (signature)

Print Name: (signature)

Exhibit A
EQUIPMENT LEASE AGREEMENT

THIS EQUIPMENT LEASE AGREEMENT (this "Lease") is entered into on _____, 20__, (the Lease Date") between Double Bar Cleaning, LLC ("we," "us," or "our") and [Insert legal name of franchisee] ("you" or "your").

The parties agree as follows:

Lease of Equipment . We lease to you, and you lease from us, 1 sprayer/fogger machine (together with all replacement parts, repairs, additions and accessories referred to as the "Equipment"), on terms described below.

Term . This Lease begins on the Lease Date and ends on the expiration or termination of the Franchise Agreement.

Rent . You will pay \$_____ in advance as the rent due under this Agreement.

Net Lease . You have the sole obligation for maintaining, repairing and insuring the Equipment during the term of this Lease.

No Warranties . You acknowledge that we are not the manufacturer of the Equipment, nor the manufacturer's agent. YOU AGREE THAT THE EQUIPMENT IS OF A DESIGN, SIZE, FITNESS AND CAPACITY YOU SELECTED AND THAT YOU ARE SATISFIED THAT THE EQUIPMENT IS SUITABLE AND FIT FOR ITS PURPOSES. YOU AGREE THAT WE MAKE NO REPRESENTATIONS OR WARRANTIES OF WHATSOEVER NATURE, DIRECTLY OR INDIRECTLY, EXPRESS OR IMPLIED INCLUDING ANY REPRESENTATIONS OR WARRANTIES ON SUITABILITY, DURABILITY, FITNESS FOR A PARTICULAR PURPOSE AND MERCHANTABILITY OF ANY ITEM OF EQUIPMENT. YOU WAIVE ALL RIGHT TO MAKE CLAIM AGAINST US FOR BREACH OF ANY WARRANTY. WE ARE NOT LIABLE TO YOU FOR ANY LOSS, DAMAGE OR EXPENSE OF ANY KIND OR NATURE CAUSED DIRECTLY OR INDIRECTLY, BY ANY ITEM OF EQUIPMENT OR THE USE OF OR FAILURE OF OPERATION OF ANY EQUIPMENT, OR BY ANY DELAY OR FAILURE TO PROVIDE ANY EQUIPMENT OR BY ANY INTERRUPTION OF SERVICE OR LOSS OF USE THEREOF OR ANY LOSS OF BUSINESS OR DAMAGE WHATSOEVER AND HOWSOEVER CAUSED, INCLUDING INCIDENTAL AND CONSEQUENTIAL DAMAGES. YOU AUTOMATICALLY HAVE THE RIGHT TO ENFORCE ANY WARRANTIES AGAINST THE VENDOR. No defect or unfitness of the Equipment relieves you of any obligation under this Lease, to us. We have no obligation to install, erect, test, adjust or service the Equipment. No oral agreement, guaranty, promise, condition, representation or warranty nor any oral modification is binding. All prior conversations, agreements or representations related to this Lease or to the Equipment are integrated to this Lease.

Our Ownership. The Equipment at all times remains our property. You will at all times protect and defend, at your expense, our ownership against all claims, liens and processes. On the expiration or termination of this Lease, you at your sole expense will return the Equipment unencumbered to us, in the same condition as when you received it, reasonable wear and tear excepted.

Equipment to be Identified. You will, on our request, and at your expense, firmly affix to the Equipment, in a conspicuous place, such a decal or metal plate we supply showing us as the owner of the Equipment.

Possession, Use and Location of Equipment . So long as you are not in default under this Lease, you may

possess and use the Equipment in accordance with this Lease and the Franchise Agreement. You will comply with

all national, commonwealth, municipal, police and other laws, ordinances and regulations relating to the possession, use and maintenance of the Equipment.

Records; Inspection . We have the right during reasonable business hours to confirm the existence, condition and proper maintenance of the Equipment. You will maintain adequate records identifying and locating the Equipment and will permit us, our agents, accountants and attorneys to examine and copy these records.

Indemnification . The indemnification provisions of the Franchise Agreement apply to this Agreement.

Transfer . The transfer provisions of the Franchise Agreement apply to this Agreement.

Default . This Lease is breached if:

You default under any other term of this Lease and the default continues for 30 days after written notice to you;

You default under the Franchise Agreement; or

You attempt to remove or sell or transfer or encumber or sublet or part with possession of any item of the Equipment.

Remedies . On your breach of this Lease you must immediately deliver the Equipment to us at your expense to any place as we designate. We and/or our agents may without notice or liability or legal process, enter into any premises of or under the control of you or any agent of you where the Equipment may be, and repossess all or any part of the Equipment. You waive all further rights to possession of the Equipment and all claims for injuries suffered through or caused by repossession. The foregoing provisions are without prejudice to any greater rights given to us by any statute.

Notices, Remedies and Waivers . The notice provisions of the Franchise Agreement apply to this Agreement. No remedy under this Lease is exclusive of any other remedy, but each is cumulative and in addition to every other remedy. A waiver of any default is not a waiver of any other default.

Entire Agreement; Waiver . This Lease contains the entire agreement between the parties. No supplier or agent of us is authorized to bind us or waive or modify any term of this Lease. No waiver by us of any provision of this Lease is a waiver of any other matters.

Dispute Resolution. The dispute resolution provisions of the Franchise Agreement apply to this Agreement.

IN WITNESS WHEREOF, the parties have signed this Agreement as of the date above written.

US:

Double Bar Cleaning, LLC

By:

(signature)

Print Name:

Its

Date: _____

YOU:

[Insert legal name of franchisee]

By:

(signature)

Print Name:

Its

Date: _____

EXHIBIT B

PROMISSORY NOTE

\$ _____, 20__

- 1) Principal and Payment. FOR VALUE RECEIVED, the undersigned, _____ (“Maker”), promises to pay to _____, a _____ (“Holder”), at _____ (or at any other place as Holder specifies in writing), without deduction, abatement or offset in lawful money of the United States of America, the principal amount of \$ _____. Maker will pay Holder the principal in _____ equal monthly installments of \$ _____, beginning on _____, 20__, and continuing on the 15th day of each consecutive month until _____, 20__, when this Note must be paid in full.
- 2) Franchise Agreement. This Note is being issued together with a Franchise Agreement by Holder, as franchisor, and Maker, as unit franchisee (the “Franchise Agreement”). Unless defined otherwise in this Note, capitalized terms in this Note have the meanings given them in the Franchise Agreement.
- 3) Guaranty. Payment and performance of Maker’s obligations under this Note are secured by the written guaranty (the “Guaranty”) signed by _____ (“Guarantor(s)”).
- 4) Application of Payments. Holder may, in its sole discretion, credit any payment made under this Note (whether made when due or otherwise) first against any interest then due, and the remainder against the unpaid principal or any other amount due under this Note.
- 5) Default and Acceleration. Each of the following is an “Event of Default”:
 - a) Maker fails to timely pay any amount due under this Note (including any principal or interest) or fails to timely perform any other obligation under this Note and that failure continues for 10 days after Holder provides Maker with written notice of the failure;
 - b) Maker or any Guarantor fails to perform any of their obligations under the Franchise Agreement or Guaranty and this default continues beyond any applicable cure period;
 - c) Maker or any Guarantor transfers any direct or indirect interest in the Franchise Agreement (“transfer” and “direct or indirect interest” are defined in the Franchise Agreement);
 - d) Maker or any Guarantor becomes insolvent or makes a general assignment for the benefit of creditors;
 - e) A petition in bankruptcy is filed by Maker or any Guarantor or a petition is filed against or consented to by Maker or any Guarantor and the petition is not dismissed within 45 days;
 - f) Maker or any Guarantor is adjudicated bankrupt;
 - g) A bill in equity or other proceeding for the appointment of a receiver of Maker or any Guarantor is filed and consented to by Maker or the Guarantor;

- h) A receiver or other custodian (permanent or temporary) of Maker or any Guarantor's business or assets is appointed by any court of competent jurisdiction;
- i) Proceedings for a composition with creditors under federal or any state law is filed by or against Maker or any Guarantor;
- j) A final judgment in excess of \$5,000 remains unsatisfied or of record for 30 days or longer (unless a supersedeas bond is filed);
- k) Execution is levied against Maker or any Guarantor's operation or property, or suit to foreclose any lien against its assets is filed against Maker or any Guarantor and not dismissed within 45 days;
- l) A substantial portion of Maker's or any Guarantor's personal property used in the Franchise is sold after levy by any sheriff, marshal, or constable;
- m) Maker or any Guarantor defaults in any of their respective obligations under the Franchise Agreement, subject to any cure period to which it may be entitled; or
- n) At any time when, in Holder's sole option, your Maker's financial ability becomes impaired or unsatisfactory.

On the occurrence of an Event of Default, Holder may declare the entire principal balance of this Note immediately due and payable. If Maker fails to pay any principal, interest accrues on the unpaid principal from the due date until paid in full at the maximum rate permitted by law (the "Default Interest Rate").

6) Miscellaneous Provisions.

- a) If Holder fails to exercise any remedy on the occurrence of an Events of Default, the failure does not affect Holder's right to exercise any remedies for any later defaults.
- b) Maker and all endorsers and Guarantors of this Note waive valuation and appraisal, demand, presentment, notice of non-payment, dishonor and protest.
- c) If suit is brought for the collection of this Note, or if it is necessary to place this Note in the hands of a collection agency or an attorney for collection, whether or not suit is filed, Maker and all endorsers and Guarantors of this Note will pay to Holder its reasonable legal fees, attorneys' and paralegals' fees and other expenses for undertaking collection. Amounts due under this paragraph are treated as added to the principal amount due under this Note—with interest accruing thereon at the Default Interest Rate—and are due and payable on demand.
- d) The state and county where Holder's principal office is located on the date that the action is filed is the proper and exclusive jurisdiction and venue for any proceedings arising out of this Note. Maker consents—and waives all right to object—to the jurisdiction and venue of the federal and state courts closest to this location. Holder, however, may pursue any remedies in any jurisdiction and venue in which Maker or any Guarantor is located. The provisions of this Note are to be construed according to the internal laws of the state where our principal office is located when the Franchise Agreement is originally signed, without regard to principles of conflicts of laws.
- e) This Note may be prepaid in whole or part without premium or penalty.

- f) This Note is negotiable. Holder may assign this Note to any assignee, who on assignment succeeds to Holder's rights and status.
- g) The following do not in any way release or affect Maker's or any Guarantor's or endorser's liability under this Note:
 - i) Holder grants Maker, or any other party any extension of time to pay any sums due under this Note or perform any obligation under this Note or in any other document securing the payment of this Note; or
 - ii) Holder releases Maker or any other party; agrees not to sue Maker or any other party; suspends the right to enforce this Note against Maker or any other party; discharges Maker or any other party; or takes or releases any collateral or security.
- h) This Note may not be amended or modified—nor may any waiver of any provisions of this Note be effected—except by a written instrument signed by Holder. Maker and all other persons signing this Note have signed this Note as a principal and not as surety or accommodation party.
- i) Time is of the essence as to all dates in this Note.
- j) BY THEIR RESPECTIVE SIGNING AND ACCEPTING THIS NOTE, THE PARTIES MUTUALLY AND WILLINGLY WAIVE THE RIGHT TO A JURY TRIAL OF ANY CLAIMS MADE BETWEEN THEM, WHETHER NOW EXISTING OR ARISING IN THE FUTURE. THESE CLAIMS INCLUDE, WITHOUT LIMITATION, ANY CLAIMS, DEFENSES, COUNTERCLAIMS, CROSS-CLAIMS, THIRD-PARTY CLAIMS AND INTERVENOR'S CLAIMS, WHETHER ARISING FROM OR RELATED TO THE NEGOTIATION, SIGNING AND PERFORMANCE OF THE TRANSACTIONS TO WHICH THIS DOCUMENT RELATES. NONE OF THE PARTIES' RESPECTIVE CLAIMS MAY BE LITIGATED ON A CLASS-WIDE BASIS, NOR JOINED WITH ANY THIRD-PARTY CLAIM.

MAKER:

(signature)

Print Name:_____

EXHIBIT C

GUARANTY

This guaranty ("Guaranty") is signed by the undersigned guarantors (each a "Guarantor," and collectively, the "Guarantors") and delivered to **Double Bar Cleaning, LLC** ("we," "us," or "our") as of _____, 20__.

1) In consideration of, and as an inducement to, our accepting from **[Insert legal name of franchisee]** ("you") the promissory note you are issuing to us (the "Promissory Note") to evidence certain amounts you must pay us under the unit franchise agreement you and we are entering (the "Franchise Agreement"), each of the undersigned, personally and unconditionally guarantees to us, and our successors and assigns, that:

- a) you will pay and perform all your obligations under the Promissory Note (the "Obligations," which obligations include, without limitation, the obligation to pay all principal and interest due); and
- b) he or she is bound by each of the Obligations as if he or she were the maker under the Promissory Note; and
- c) he or she is personally liable for your breach of any of your Obligations.

2) Each of the undersigned waives:

- a) acceptance and notice of acceptance by us of the foregoing undertakings;
- b) notice of demand for payment of any indebtedness or nonperformance of any obligation guaranteed under this Guaranty;
- c) protest and notice of default to any party regarding the indebtedness or nonperformance of any Obligations;
- d) any right he or she may have to require that an action be brought against you or any other person as a condition of liability; and
- e) all other notices and legal or equitable defenses to which he or she may be entitled.

3) Each of the undersigned agrees that:

- a) his or her direct and immediate liability under this Guaranty is joint and several with each other guarantor under this or any other guaranty;
- b) he or she must render any payment or performance required under the Promissory Note, on demand, if you fail or refuse to do so;
- c) this liability is not contingent or conditioned on our pursuing any remedy against you or any other person; and

d) any liability is not diminished, discharged, or otherwise affected by any extension of time, credit, or other indulgence that we may grant to you or to any other person (including, without limitation, the acceptance of any partial payment or performance, release of any collateral, or the compromise or release of any claims, none of which modify or amend this guaranty).

This Guaranty is a guaranty of payment and not of collection. This Guaranty is irrevocable and continues in full force and effect until all of the Obligations are paid, performed and discharged. The Obligations are not considered fully paid, performed and discharged unless all payments by you, and any Guarantor, to us are no longer subject to any right by any person whomsoever—including, without limitation, to you, you as a debtor in possession or any trustee in bankruptcy—to disgorge any payments or seek to recoup any payments or any part of any payments.

This Guaranty continues to be effective if (i) any petition is filed by or against you or any Guarantor for bankruptcy, liquidation or reorganization, (ii) you or any Guarantor becomes insolvent or makes an assignment for the benefit of creditors or (iii) a receiver or trustee is appointed for all or any significant part of your or any Guarantor's assets.

In addition to the amounts guaranteed under this Guaranty, the Guarantors are jointly and severally obligated to pay (i) all of our legal fees, attorneys' fees and paralegals' fees and other expenses that we incur to enforce this Guaranty and (ii) interest at the Default Interest Rate (as defined in the Promissory Note) on any of the Obligations not paid when due.

The state and county where our principal office is located on the date the action is filed are the proper and exclusive jurisdiction and venue for any proceedings arising out of this Guaranty. Each of the undersigned consents—and waives all right to object—to the jurisdiction and venue of the federal and state courts closest to this location. We, however, may pursue any remedies in any jurisdiction and venue in which any Guarantor is located. This Guaranty is to be construed according to the internal laws of the state where our principal office is located when this Guaranty is signed, without regard to principles of conflicts of laws.

IN WITNESS WHEREOF, each of the undersigned has signed this Guaranty on the date provided in the first paragraph of this Guarantee.

GUARANTORS:

Print Name

Signature

Print Name

Signature

Print Name

Signature

Exhibit B to the Franchise Disclosure Document

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Exhibit C to the Franchise Disclosure Document

FINANCIAL STATEMENTS

Double Bar Cleaning, LLC
Comparative Financial Statements

Years Ending December 31, 2024, and 2023

Double Bar Cleaning, LLC

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Independent Auditor's Report

The Member
Double Bar Cleaning, LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Double Bar Cleaning, LLC (the "Company"), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of income, changes in stockholders' 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 Double Bar Cleaning, LLC 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 Audit of the Financial Statements section of our report. We are required to be independent of Double Bar Cleaning, LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management/or 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 Double Bar Cleaning, LLC ability to continue as a going concern for the period ending December 31, 2025.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, 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 Double Bar Cleaning, LLC's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Double Bar Cleaning LLC's ability to continue as a going concern for a reasonable period of time.

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

:Ben {!)f,<vd, e9'a

New Rochelle, New York

May 15, 2025

Double Bar Cleaning, LLC
Comparative Balance Sheet

Particulars	12/31/2024	12/31/2023
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 73,023	\$ 90,726
Accounts receivable and other current assets	<u>190,727</u>	<u>30,335</u>
Total current assets	263,750	121,061
Property and equipment, net	984	
Franchise fee, net	34,098	40,918
Security deposits	<u>800</u>	<u>3,833</u>
Total Assets	<u>\$ 299,632</u>	<u>\$ 165,812</u>
LIABILITIES AND MEMBERS' EQUITY		
Liabilities		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 198,708	\$ 143,758
Long Term Liabilities		
Deferred revenue - franchise fees other	\$ 10,200	\$ 11,680
Members' equity	<u>\$ 90,724</u>	<u>\$ 10,374</u>
	<u>\$ 299,632</u>	<u>\$ 165,812</u>

Double Bar Cleaning, LLC
Comparative Statement of Operations and Members' Equity

Particulars	12/31/2024	12/31/2023
REVENUE		
Service billings	\$ 1,770,251	\$ 1,668,883
Royalties and support	511,749	531,380
Initial franchise fee amortization	1,480	1,480
Other revenue	<u>122,007</u>	<u>92,885</u>
Total Revenue	\$ 2,405,487	\$ 2,294,628
 Cost of Goods Sold	 \$ 1,634,383	 \$ 1,660,269
 Gross Profit	 <u>\$ 771,104</u>	 <u>\$ 634,359</u>
 EXPENSES		
Marketing and promotion	\$ 48,733	\$ 62,796
Payroll and related benefits	221,712	205,875
Credit card fees	51,009	49,844
Rent	21,639	25,826
Professional fees	37,306	24,425
Royalties	185,825	173,202
Office expenses	2,249	1,303
Depreciation and amortization	7,060	13,534
Insurance	62,575	48,073
Other operating expenses	<u>27,927</u>	<u>23,523</u>
Total Expenses	\$ 666,035	\$ 628,401
Net Income (Loss) from operations	\$ 105,069	\$ 5,958
 OTHER INCOME (EXPENSES)		
 Net Income (Loss)	 <u>\$ 105,069</u>	 <u>\$ 5,958</u>
 MEMBERS' EQUITY		
Beginning of year	\$ 10,374	\$ (10,987)
Capital contribution		24,803
Capital withdrawal	{24,719}	{9,400}
End of year	<u>\$ 90,724</u>	<u>\$ 10,374</u>

Double Bar Cleaning, LLC
Comparative Statement of Cash Flows

Particulars	12/31/2024	12/31/2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ 105,069	\$ 5,958
Adjustments to reconcile net income to net cash from operating activities		
Depreciation and amortization	7,060	13,534
Changes in operating assets and liabilities		
Accounts receivable and other current assets	(160,390)	6,600
Accounts payable and accrued expenses	54,950	(9,886)
Deferred revenue - franchise fees other	<u>(1,480)</u>	<u>2,520</u>
Net Cash from/(used in) Operating Activities	\$ 5,209	\$ 18,726
CASH FLOWS USED IN INVESTMENT ACTIVITIES		
Increase in Fixed Assets	(1,225)	
Decrease in Security Deposits	<u>3,033</u>	
	\$ 1,808	
CASH FLOWS USED IN FINANCING ACTIVITIES		
Capital contribution/ PPP loan forgiveness		24,803
Capital withdrawal	<u>(24,719)</u>	<u>(9,400)</u>
Net Cash provided by (used in) Financing Activities	\$ (24,720)	\$ 15,403
Net Change in Cash	(17,703)	34,129
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>90,726</u>	<u>56,597</u>
End of year	\$ 73,023	\$ 90,726

See notes to the Financial Statements

Double Bar Cleaning, LLC

Notes to Financial Statements
December 31, 2024, and 2023

1. Organization

Double Bar Cleaning, LLC (the "Company") was organized on November 12, 2014. The Company has established franchisees in its territory that will operate under the Maid Right Cleaning model.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

Revenue Recognition

Franchise Revenue

The Company adopted ASC 606 on January 1, 2020. For periods prior to January 1, 2020, revenue was recognized when service is provided. Franchise revenues consist primarily of initial franchise purchase, royalties, support fees, and specials cleaning fees.

Revenues for royalties, support fees and special cleaning are directly related to cleaning and are recognized upon completion of service. Additionally, the company sells cleaning franchises under the Maid Right brand name. The primary performance obligation to the franchisees is to guarantee revenue created by cleaning homes. The Company's territory is in southern Westchester County NY.

Under ASC 606, initial franchise purchases are recognized as revenue on a straight-line basis over the term of the respective franchise agreement (10 years). Under the Previous Standards, initial franchise fees were recognized as revenue when the related franchisees signed an agreement and completed the Company's new franchisee training. The Company's performance obligation under its agreements generally consists of an obligation to secure new customers in southern Westchester County NY. The pro-rata amount apportioned to each franchise agreement is accounted for identically to the initial franchise fee. The company sold no (zero) franchises in 2024, and one franchise in 2023.

Initial franchise fee amortization income for the years ending December 31, 2024, was \$1,480. Deferred revenue on franchise fees as of December 31, 2024, and 2023 were \$10,200 and \$11,680 respectively

Double Bar Cleaning, LLC

Notes to Financial Statements
December 31, 2024, and 2023

2. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers deposits in money market accounts and highly liquid debt instruments with a maturity of 90 days or less at the time of the purchase to be cash equivalents.

Accounts Receivable

Accounts receivables are recorded when invoices are issued and are presented in the balance sheet net of allowance for doubtful accounts. The allowance for doubtful accounts is estimated based on the Company's historical collection experience, the existing economic conditions and the financial stability of its customers. The company has determined that an allowance is not necessary at December 31, 2024, and 2023.

Property and Equipment

Property and Equipment are stated at cost. Depreciation is computed over the useful lives of the assets which range from five to seven years. Maintenance and repairs are charged to operations in the year in which they are incurred.

Royalties

The company pays royalties to Maid Right to continue using the license. Royalties expense for the years ended December 31, 2024, and 2023 were \$185,825, and \$173,201 respectively.

Franchise Fee

Maid Right grants the Company a franchise license for fifteen years. The Company is amortizing the cost of the franchise fee over the life of the franchise agreement. Amortization expense was \$6,820 for both the years ended December 31, 2024, and 2023 respectively, and accumulated amortization were \$68,200, and \$61,380 at December 31, 2024, and 2023 respectively.

Income Taxes

The company is Subchapter S corporation for federal and state income tax purposes. Accordingly, the company does not record a provision for income taxes because the individual members report their share of the Company's income or loss in their personal income tax returns. As a limited liability company, the liability of the Company's members is limited to the amount of the members' interest.

Double Har Cleaning, LLC

Notes to Financial Statements
December 31, 2024, and 2023

2. Summary of Significant Accounting Policies (continued)

Accounting for Uncertainty in Income Taxes

The Company recognizes the effect of income tax positions only when they are more likely than not to be sustained. Management has determined that the Company had no uncertain tax positions that would require financial statements recognition or disclosure since inception.

Subsequent Events

Management has evaluated subsequent events for disclosure and/or recognition through the date that the financial statements were issued, which is May 15, 2025. As of the date of this issuance, management is not aware of any incident which has an effect on the financial statements of the Company.

3. Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash and cash equivalents. At times, cash balances may exceed federally insured limits.

4. Property and Equipment

Property and equipment at December 31, 2024 and 2023 consisted of the following -

	12/31/2024	12/31/2023
Capital assets being depreciated:		
Furniture and Equipment	\$ 1,373	\$ 3,201
Auto	43,761	18,761
Computers	5,778	3,725
	<u>\$ 51,912</u>	<u>\$ 50,687</u>
Less: accumulated depreciation	(50,928)	(50,687)
Capital Asset (Net of accumulated depreciation)	<u>\$ 984</u>	<u>\$ 0</u>

Double Bar Cleaning, LLC

Notes to Financial Statements
December 31, 2024, and 2023

5. Lease Commitment

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). ASU 2016-02 was issued to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The company has evaluated the provisions of ASC 842. The Company had no ROU assets or liability as of December 31, 2024, and 2023.

The Company rents its office space from an unrelated party under a One (1) year lease agreement which commenced on October 1, 2024. The lease expires on September 30, 2025. The Company has no long term lease obligation as of the report date of May 15, 2025.

Rent expense for the years ended December 31, 2024, and 2023 amounted to \$21,639, and \$25,826 respectively.

Double Bar Cleaning, LLC
Comparative Financial Statements

Years Ending December 31, 2023 and 2022

Independent Auditor's Report

The Member
Double Bar Cleaning, LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Double Bar Cleaning, LLC (the "Company"), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of income, changes in stockholders' 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 Double Bar Cleaning, LLC as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management/or 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 Double Bar Cleaning, LLC ability to continue as a going concern for the period ending December 31, 2024.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, 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 Double Bar Cleaning, LLC's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Double Bar Cleaning LLC's ability to continue as a going concern for a reasonable period of time.

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

Ben Ofori, CPA

New Rochelle, New York
June 24, 2024

Double Bar Cleaning, LLC
Comparative Balance Sheet

	12/31/2023	12/31/2022
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 90,726	\$ 56,597
Accounts receivable and other current assets	<u>30,335</u>	<u>36,935</u>
Total current assets	121,061	93,532
 Property and equipment, net		6,714
Franchise fee, net	40,918	47,738
Security deposits	<u>3,833</u>	<u>3,833</u>
	<u>\$ 165,812</u>	<u>\$ 151,817</u>
 LIABILITIES AND MEMBERS' EQUITY		
Liabilities		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 143,758	\$ 153,644
 Long Term Liabilities		
Deferred revenue - franchise fees other	\$ 11,680	\$ 9,160
 Members' equity	<u>10,374</u>	<u>(10,987)</u>
	<u>\$ 165,812</u>	<u>\$ 151,817</u>

See notes to financial statements

Double Bar Cleaning, LLC
Comparative Statement of Operations and Members' Equity
Years Ended

	12/31/2023	12/31/2022
REVENUE		
Service billings	\$ 1,668,883	\$ 1,507,698
Royalties and support	531,380	476,413
Initial franchise fee amortization	1,480	1,080
Other revenue	92,885	146,924
Total Revenue	<u>\$ 2,294,628</u>	<u>\$ 2,132,115</u>
 Cost of Goods Sold	 \$ <u>1,660,269</u>	 \$ <u>1,693,286</u>
 Gross Profit	 \$ <u>634,359</u>	 \$ <u>438,829</u>
EXPENSES		
Marketing and promotion	62,796	61,275
Payroll and related benefits	205,875	194,938
Credit card fees	49,844	15,776
Rent	25,826	25,220
Professional fees	24,425	28,347
Royalties	173,202	163,186
Office expenses	1,303	7,762
Depreciation and amortization	13,534	13,351
Insurance	48,073	21,992
Other operating expenses	23,523	26,908
Total Expenses	<u>\$ 628,401</u>	<u>\$ 558,755</u>
 Net Income (Loss) from operations	 \$ 5,958	 \$ (119,926)
OTHER INCOME (EXPENSES)		
PPP Loan Forgiveness		26,822
Total other income	<u>\$</u>	<u>\$ 26,822</u>
 Net Income (Loss)	 \$ 5,958	 \$ (93,104)
MEMBERS' EQUITY		
Beginning of year	-\$ 10,987	\$ 86,922
Capital contribution	24,803	5,195
Capital withdrawal	<u>(9,400)</u>	<u>(10,000)</u>
End of year	<u>\$ 10,374</u>	<u>\$ (10,987)</u>

See notes to financial statements

Double Bar Cleaning, LLC
Comparative Statement of Cash Flows

	12/31/2023	12/31/2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ 5,958	\$ (119,926)
Adjustments to reconcile net income to net cash from operating activities		
Depreciation and amortization	13,534	13,351
Changes in operating assets and liabilities		
Accounts receivable and other current assets	6,600	(27,577)
Accounts payable and accrued expenses	(9,886)	99,503
Deferred revenue - franchise fees other	2,520	520
Net Cash from/(used in) Operating Activities	\$ 18,726	\$ (34,129)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Capital contribution/ PPP loan forgiveness	24,803	32,017
Capital withdrawal	(9,400)	(10,000)
Net Cash provided by Financing Activities	\$ 15,403	\$ 22,017
Net Change in Cash	34,129	(12,112)
CASH AND CASH EQUIVALENTS		
Beginning of year	56,597	68,709
End of year	\$ 90,726	\$ 56,597

See notes to financial statements

Double Bar Cleaning, LLC

Notes to Financial Statements

December 31, 2023, and 2022

1. Organization

Double Bar Cleaning, LLC (the "Company") was organized on November 12, 2014. The Company has established franchisees in its territory that will operate under the Maid Right Cleaning model.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

Revenue Recognition

Franchise Revenue

The Company adopted ASC 606 on January 1, 2020. For periods prior to January 1, 2020, revenue was recognized when service is provided. Franchise revenues consist primarily of initial franchise purchase, royalties, support fees, and specials cleaning fees.

Revenues for royalties, support fees and special cleaning are directly related to cleaning and are recognized upon completion of service. Additionally, the company sells cleaning franchises under the Maid Right brand name. The primary performance obligation to the franchisees is to guarantee revenue created by cleaning homes. The Company's territory is in southern Westchester County NY.

Under ASC 606, initial franchise purchases are recognized as revenue on a straight-line basis over the term of the respective franchise agreement (10 years). Under the Previous Standards, initial franchise fees were recognized as revenue when the related franchisees signed an agreement and completed the Company's new franchisee training. The Company's performance obligation under its agreements generally consists of an obligation to secure new customers in southern Westchester County NY. The pro-rata amount apportioned to each franchise agreement is accounted for identically to the initial franchise fee. The company sold one franchise in 2023 and zero franchise in **2022**.

Initial franchise fee amortization income for the years ending December 31, 2023, and 2022 were \$1,480 and \$1,080 respectively. Deferred revenue on franchise fees as of December 31, 2023, and 2022 were \$11,680 and \$9,160 respectively

Double Bar Cleaning, LLC

Notes to Financial Statements

December 31, 2023, and 2022

2. Summary of Significant Accounting Policies (*continued*)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers deposits in money market accounts and highly liquid debt instruments with a maturity of 90 days or less at the time of the purchase to be cash equivalents.

Accounts Receivable

Accounts receivable are recorded when invoices are issued and are presented in the balance sheet net of allowance for doubtful accounts. The allowance for doubtful accounts is estimated based on the Company's historical collection experience, the existing economic conditions and the financial stability of its customers. The company has determined that an allowance is not necessary at December 31, 2023, and 2022.

Property and Equipment

Property and Equipment are stated at cost. Depreciation is computed over the useful lives of the assets which range from five to seven years. Maintenance and repairs are charged to operations in the year in which they are incurred.

Royalties

The company pays royalties to Maid Right to continue using the license. Royalties expense for the years ended December 31, 2023, and 2022 were \$173,201, and \$163,186 respectively.

Franchise Fee

Maid Right grants the Company a franchise license for fifteen years. The Company is amortizing the cost of the franchise fee over the life of the franchise agreement. Amortization expense was \$6,820, and \$6,820 for the years ended December 31, 2023, and 2022 respectively, and accumulated amortization were \$61,380, and \$54,560 at December 31, 2023, and 2022 respectively.

Income Taxes

The company is Subchapter S corporation for federal and state income tax purposes. Accordingly, the company does not record a provision for income taxes because the individual members report their share of the Company's income or loss in their personal income tax returns. As a limited liability company, the liability of the Company's members is limited to the amount of the members' interest.

Double Bar Cleaning, LLC

Notes to Financial Statements
December 31, 2023, and 2022

2. Summary of Significant Accounting Policies *(continued)*

Accounting for Uncertainty in Income Taxes

The Company recognizes the effect of income tax positions only when they are more likely than not to be sustained. Management has determined that the Company had no uncertain tax positions that would require financial statements recognition or disclosure since inception.

Subsequent Events

Management has evaluated subsequent events for disclosure and/or recognition through the date that the financial statements were issued, which is June 24, 2024. As of the date of this issuance, while that has no effect on the financial statements for the reporting periods ended December 31, 2023, and 2022 management is not aware of the long-term effect on the financial statements of the Company.

3. Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash and cash equivalents. At times, cash balances may exceed federally insured limits.

4. Property and Equipment

Property and equipment at December 31, 2023 and 2022 consisted of the following:

	2023	2022
Automobiles	\$43,761	\$43,761
Computers	3,725	3,725
Furniture and Fixtures	3,201	3,201
	50,687	50,687
Less Accumulated Depreciation	(50,687)	(43,973)
	\$ -	\$6,714

Double Bar Cleaning, LLC

Notes to Financial Statements

December 31, 2023, and 2022

5. Lease Commitment

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). ASU 2016-02 was issued to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The company has evaluated the provisions of ASC 842. The Company had no ROU assets or liability as of December 31, 2023, and 2022.

The Company rents its office space from an unrelated party under a three (3) year non-cancelable lease agreement which commenced on August 1, 2020. The lease expired in July 2023. The Company maintains a month-to-month lease arrangement and has no lease obligation as of the report date of June 24, 2024. Rent expense for the years ended December 31, 2023, and 2022 amounted to \$26,826, and \$25,220 respectively.

Minimum lease payments are as follows:

Years Ending December 31	2023	2022
2022		21,087
2023	26,826	12,513
	\$26,826	\$33,600

The Master Franchisor's Audited Financial Statements follow.

Premium Service Brands, LLC and Subsidiaries

Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

Premium Service Brands, LLC and Subsidiaries
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Independent Auditors' Report

**Board of Managers
Premium Service Brands, LLC and Subsidiaries**

Opinion

We have audited the accompanying consolidated financial statements of Premium Service Brands, LLC and Subsidiaries, which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of operations, changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Premium Service Brands, LLC and Subsidiaries 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. 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 Premium Service Brands, LLC and Subsidiaries, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Premium Service Brands, LLC and Subsidiaries ability to continue as a going concern within 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 Premium Service Brands, LLC and Subsidiaries 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 Premium Service Brands, LLC and Subsidiaries ability to continue as a going concern for a reasonable period of time.

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

Robinson, Farmer, Cox Associates

Charlottesville, Virginia

April 22, 2025

Premium Service Brands, LLC
Consolidated Balance Sheets
December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 943,020	\$ 722,074
Accounts receivable, net	3,218,426	2,838,106
Prepaid expenses and other current assets	<u>3,666,212</u>	<u>2,486,419</u>
Total current assets	7,827,658	6,046,599
Property and equipment, net	762,462	728,024
Right-of-use lease asset, net	1,476,728	1,633,661
Intangible assets, net	11,433,105	12,925,497
Goodwill	7,068,689	7,068,689
Other assets	<u>7,888,574</u>	<u>7,097,279</u>
Total assets	<u>\$ 36,457,216</u>	<u>\$ 35,499,749</u>
Liabilities and Members' Deficit		
Current liabilities		
Accounts payable	\$ 434,745	\$ 435,883
Accrued and other liabilities	3,365,005	3,368,024
Deferred revenue, current	2,041,424	1,860,040
Lease liability, current portion	150,635	124,701
Current maturities of long-term debt	<u>609,375</u>	<u>599,500</u>
Total current liabilities	6,601,184	6,388,148
Long-term debt, net	20,436,661	19,918,725
Lease liability, noncurrent portion	1,416,676	1,568,558
Deferred revenue, noncurrent	<u>13,875,809</u>	<u>12,809,637</u>
Total liabilities	42,330,330	40,685,068
Members' deficit	<u>(5,873,114)</u>	<u>(5,185,319)</u>
Total liabilities and members' deficit	<u>\$ 36,457,216</u>	<u>\$ 35,499,749</u>

The accompanying notes are an integral part of these consolidated financial statements.

Premium Service Brands, LLC
Consolidated Statements of Operations
For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Revenues		
Franchise service fees	\$ 17,697,574	\$ 17,385,428
Franchise sales fees	6,173,857	4,940,724
Other revenues	<u>1,570,613</u>	<u>1,266,744</u>
 Total revenues	 <u>25,442,044</u>	 <u>23,592,896</u>
Costs and expenses		
Franchise support expenses	10,331,257	9,990,315
Franchise sales expenses	6,025,688	5,579,325
General and administrative expenses	4,974,157	4,311,590
Transaction costs	-	103,047
Depreciation and amortization	<u>1,983,683</u>	<u>1,804,818</u>
 Total costs and expenses	 <u>23,314,785</u>	 <u>21,789,095</u>
 Operating income	 2,127,259	 1,803,801
Interest income	(620)	(2,443)
Interest expense	<u>2,815,674</u>	<u>2,540,123</u>
 Net loss	 <u>\$ (687,795)</u>	 <u>\$ (733,879)</u>

The accompanying notes are an integral part of these consolidated financial statements.

Premium Service Brands, LLC
Consolidated Statements of Changes in Members' Equity
For the Years Ended December 31, 2024 and 2023

	<u>Members'</u> <u>Capital</u>	<u>Accumulated</u> <u>Deficit</u>	<u>Members'</u> <u>Deficit</u>
Balances at December 31, 2022	\$ <u>(3,015,800)</u>	\$ <u>(685,640)</u>	\$ <u>(3,701,440)</u>
Net loss	-	(733,879)	(733,879)
Distributions to Members	<u>(750,000)</u>	<u>-</u>	<u>(750,000)</u>
Balances at December 31, 2023	\$ <u>(3,765,800)</u>	\$ <u>(1,419,519)</u>	\$ <u>(5,185,319)</u>
Net loss	<u>-</u>	<u>(687,795)</u>	<u>(687,795)</u>
Balances at December 31, 2024	\$ <u><u>(3,765,800)</u></u>	\$ <u><u>(2,107,314)</u></u>	\$ <u><u>(5,873,114)</u></u>

The accompanying notes are an integral part of these consolidated financial statements.

Premium Service Brands, LLC
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023

	2024	2023
Cash flows from operating activities		
Net loss	\$ (687,795)	\$ (733,879)
Adjustments to reconcile net income to net cash provided by (used in) operating activities		
Depreciation and amortization	1,983,683	1,804,818
Amortization of deferred loan costs	91,061	79,207
Changes in assets and liabilities		
Accounts receivable	(380,320)	(661,073)
Prepaid expenses and other current assets	(1,179,793)	(31,950)
Other assets	(791,295)	(1,564,311)
Accounts payable	(1,138)	243,259
Accrued and other liabilities	(3,018)	209,310
Deferred revenue	181,384	311,391
Lease liability	(125,948)	(102,966)
Other long-term liabilities	1,066,172	1,908,039
Net cash provided by operating activities	<u>152,993</u>	<u>1,461,845</u>
Cash flows from investing activities		
Business acquisitions, net of cash acquired	-	(5,979,862)
Purchases of property and equipment	(81,518)	(117,758)
Capitalized software development costs	(287,279)	(405,933)
Net cash used in investing activities	<u>(368,797)</u>	<u>(6,503,553)</u>
Cash flows from financing activities		
Member distributions	-	(750,000)
Borrowings from long-term debt, net of deferred financing cost	1,200,000	6,778,500
Repayments of long-term debt	(763,250)	(1,164,875)
Net cash provided by financing activities	<u>436,750</u>	<u>4,863,625</u>
Increase (decrease) in cash and cash equivalents	220,946	(178,083)
Cash and cash equivalents		
Beginning of year	<u>722,074</u>	<u>900,157</u>
End of year	<u><u>\$ 943,020</u></u>	<u><u>\$ 722,074</u></u>

The accompanying notes are an integral part of these consolidated financial statements.

Premium Service Brands and Subsidiaries
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2024 and 2023

1. Organization and Description of Business

Premium Service Brands, LLC (the “Company” or “PSB”) is the parent company of a number of franchisors operating in the United States and internationally which includes the following companies; 360 Painting, LLC (“360 Painting”), House Doctors, LLC, (“House Doctors”), Kitchen Wise, LLC (“Kitchen Wise”), Maid Right, LLC (“Maid Right”), Pro-Lift Doors Franchise, LLC (“Pro-Lift Doors”), Renew Crew, LLC (“Renew Crew”), Rubbish Works, LLC (“Rubbish Works”), Rooterman, LLC (“Rooterman”), The Grout Medic, LLC (“The Grout Medic”), Window Gang, LLC (“Window Gang”), Insight Business Solutions, LLC (“Insight”) and PSB Group, LLC (“PSB Group”). In 2023, the operations of Renew Crew were combined with the operations of Window Gang.

Franchised outlets as of December 31, 2024 and 2023 are summarized as follows:

	<u>Franchises as of</u> <u>December 31, 2023</u>	<u>Sold</u> <u>during</u> <u>the year</u>	<u>Closed</u> <u>during</u> <u>the year</u>	<u>Franchises as of</u> <u>December 31, 2024</u>
360 Painting	160	60	47	173
The Grout Medic	61	31	14	78
House Doctors	53	65	11	107
Kitchen Wise	6	7	3	10
Maid Right	44	11	15	40
Pro-Lift	94	24	32	86
Rooterman	703	1	118	586
Rubbish Works	6	2	3	5
Window Gang	<u>48</u>	<u>13</u>	<u>2</u>	<u>59</u>
	<u>1,175</u>	<u>214</u>	<u>245</u>	<u>1,144</u>

2. Summary of Significant Accounting Policies

Financial Statement Preparation and Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the consolidated 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 as assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. The areas that require the use of significant management estimates include purchase price allocation and the carrying value of goodwill and other long-lived assets.

2. Summary of Significant Accounting Policies: (Continued)

Revenue Recognition

The following describes principal activities from which the Company generates its revenues and the associated revenue recognition policy:

Franchise Service Fees

Franchise service fees consist of royalty, call center, technology, national advertising and service fees charged to franchisees. Royalties generally range from 4% to 6% of the franchisee's gross sales, depending on the particular franchise concept and upon other factors. The Company recognizes revenue for royalties as they become billable when the underlying franchisee sales occur. Call center, technology and service fees provide a distinct benefit from the franchise right and are therefore separate performance obligations. Fees for these services are generally billed as a monthly fixed or usage-based amount and are recognized as revenue as the services are performed. The Company administers national advertising funds ("NAF") which are funded by the franchisees and are used to pay for the costs of preparing and producing various advertising and marketing materials for the franchisees. The advertising funded through the NAF benefits the franchise brands overall, rather than the individual franchise owners, and therefore is not a performance obligation separate from the overall franchise right. Any underspending or overspending of the NAF contributions are recorded as accrued and other liabilities or prepaid expenses and other current assets on the consolidated balance sheets.

Franchise Sales Fees

Franchise sales fees consist of initial franchise, renewal and termination fees. The Company's primary performance obligation under the franchise agreements is granting rights to use the Company's intellectual property over the term of the franchise agreement. Initial franchise fees are not a service distinct from the overall initial franchise right performance obligation and are therefore recognized on a straight-line basis over the franchise agreement term.

Other Revenues

Other revenues consist primarily of rebates and convention attendance and sponsorship fees. Rebates received from third-party vendors in return for the Company maintaining a buying program that connects the vendors with the Company's franchise customers are recognized as revenue as they become due, which is generally on a quarterly basis. Rebates are calculated as a percentage of third-party sales. Convention attendance and sponsorship fees are recognized at the time of the convention.

Cash and Cash Equivalents

The Company considers all cash and highly liquid investments purchased with an initial maturity of three months or less to be cash or cash equivalents. Cash consists primarily of cash on hand and cash on deposit. The Company maintains its cash in banks in which deposits may, from time to time, exceed federally insured limits. The Company has not experienced any losses in such accounts and believes that it is not exposed to any significant credit risks related to cash.

In accordance with FASB Accounting Standards Update ("ASU") 2016-15 Statement of Cash Flows (Topic 230), cash payments made not soon after (defined as more than three months) the acquisition date of a business combination to settle any contingent consideration liabilities, the payments are separated and classified as cash outflows from financing activities and operating activities. Cash payments up to the amount of the contingent consideration liability recognized at the acquisition date (including measurement-period adjustments) are classified as financing activities; any excess is classified operating activities. The Company did not pay any contingent consideration during the years ended December 31, 2024 or 2023.

Premium Service Brands and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
For the Years Ended December 31, 2024 and 2023

2. Summary of Significant Accounting Policies: (Continued)

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management determines the allowance for doubtful accounts based on its assessment of the current status of individual accounts. Uncollectible accounts are written off against the allowance when collection of the amounts appears doubtful. As of December 31, 2024 and 2023, the allowance for doubtful accounts was \$140,839 and \$232,343, respectively. During the years ended December 31, 2024 and 2023, the Company had write-offs of uncollectable accounts of \$522,191 and \$106,971, respectively.

Contract Balances

Contract liabilities, in accordance with FASB ASC 606, are amounts collected, or an unconditional right to consideration (receivable) in advance of delivery of goods or services. Contract liabilities are typically related to billed amounts for obligations that have not yet been satisfied and therefore may not be recognized until the conditions of the contract are met. The current portion of contract liabilities is included in deferred revenue on the consolidated balance sheets. Long-term contract liabilities are included in other long-term liabilities on the consolidated balance sheets. The following table presents beginning and ending balances of contract liabilities as of December 31, 2024 and 2023:

	<u>2024</u>		<u>2023</u>		<u>2022</u>
Contract liabilities, short-term	\$ 2,041,424	\$	1,860,040	\$	1,548,649
Contract liabilities, long-term	\$ 13,875,809	\$	12,809,637	\$	10,901,598

Costs Incurred to Obtain a Contract with Customers

The Company capitalizes commissions paid to brokers that are a direct result of obtaining a new franchise agreement and amortizes these costs over the franchise agreement period. The short term and long-term portion of the deferred costs related to these arrangements are included in prepaid expenses and other current assets and in other assets, respectively, on the consolidated balance sheets.

Property and Equipment

Property and equipment is stated at historical cost and depreciated using the straight-line method over the estimated useful life of the assets. Additions and betterments are capitalized, maintenance and repairs which do not extend the useful life of the assets are expensed as incurred in general and administrative expenses on the consolidated statements of operations.

Capitalized Software

The Company capitalizes certain costs incurred in the development of various internally used software platforms, in accordance with FASB ASC 350-40, "Internal-Use Software", which requires certain costs incurred during the application development stage be capitalized and other costs incurred during the preliminary project and post-implementation stages be expensed as they are incurred. The Company capitalizes software development costs when the preliminary project stage is completed and the technological feasibility is established. Capitalized costs include personnel and related expenses for employees and third-party contractors who are directly associated with and who devote time to internal-use software projects. Any costs incurred to significantly upgrade or enhance the Company's software platforms are also capitalized. Costs related to the preliminary project activities and post-implementation support activities are expensed as incurred. Amortization of capitalized software costs accounted for in accordance with FASB ASC 350-40 and ASC 985-20 are recognized in depreciation and amortization on the consolidated financial statements using a straight-line method over an estimated useful life of one to two years.

2. Summary of Significant Accounting Policies: (Continued)

Leases

The Company accounts for lease contracts in accordance with ASC 842. As of December 31, 2024, the Company's only facility lease is classified as an operating lease. The Company recognizes as asset for the right to use an underlying leased asset for the lease term and records lease liabilities based on the present value of the Company's obligation to make lease payments under the lease. As the Company's lease does not specify an implicit rate, the Company uses a best estimate of its incremental borrowing rate to discount future lease payments. The Company estimates its incremental borrowing rate based on observable information about risk-free interest rates that are the same tenure as the lease term, adjusted for various factors, including the effects of assumed collateral, the nature of how the loan is repaid, and the Company's credit risk.

The Company evaluates options included in its lease agreement to extend or terminate the lease. The Company will reflect the effect of exercising those options in the lease term when it is reasonably certain that the Company will exercise that option. In assessing whether it is reasonably certain that the Company will exercise an option, the Company considers factors such as:

- The lease payments due in any optional period;
- Penalties for failure to exercise (or not exercise) the option;
- Market factors, such as the availability of similar assets and current rental rates for such assets;
- The nature of the underlying leased asset and its importance to the Company's operations; and
- The remaining useful lives of any related leasehold improvements.

Lease expense for operating leases is recognized on a straight-line basis over the lease term. Variable lease payments, if any, are recognized in the period when the obligation to make those payments is incurred. Lease incentives received prior to lease commencement are recorded as a reduction in the right-to-use asset. Fixed lease incentives received after lease commencement reduce both the lease liability and the right-of-use asset.

Intangible Assets

Intangible assets consist of trademarks and franchise relationships. Intangible assets are stated at their estimated fair value at the date of acquisition. Amortization is computed over the estimated useful lives of the related intangible assets using the straight-line method.

Long-lived Assets

In accordance with FASB ASC 360-10, "Accounting for Impairment or Disposal of Long-Lived Assets", long-lived assets, such as property and equipment and intangible assets, are reviewed for impairment, at least annually, or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized at the amount by which the carrying amount of the asset exceeds the fair value of the asset. The Company did not recognize any impairment charges for the years ended December 31, 2024 or 2023.

2. Summary of Significant Accounting Policies: (Continued)

Goodwill

Goodwill represents the excess of acquisition costs over the fair value of assets and liabilities acquired, including specifically identified intangible assets. Goodwill is not amortized but is tested for impairment annually as of the last day of each fiscal year in line with guidance prescribed by FASB ASU 2021-03 "Accounting Alternative for Evaluating Triggering Events" and evaluated if the facts and circumstances at year end indicate if any triggering event existed.

In conducting impairment testing, the Company has the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the estimated fair value of a reporting unit is less than its carrying amount. If the Company performs a qualitative assessment and determines that the carrying value more likely than not exceeds the fair value, then the quantitative impairment test is performed, otherwise no further analysis is required. The Company also may elect not to perform the qualitative assessment and, instead, proceed directly to the quantitative impairment test. The ultimate outcome of the goodwill impairment assessment will be the same whether the Company chooses to perform the qualitative assessment or proceed directly to the quantitative impairment test. The Company chose to perform a qualitative impairment test for goodwill as of December 31, 2024 and 2023. The Company determined the fair value of goodwill exceeds the carrying value and no further analysis is required as of December 31, 2024 and 2023.

Deferred Loan Costs

In accordance with FASB ASU 2015-03, "Simplifying the Presentation of Debt Issuance Costs", the Company defers certain loan costs, which are presented as a reduction of long-term debt on the consolidated balance sheets. These costs are amortized over the term of the debt using the straight-line method, which approximates the effective interest method. Amortization of \$91,061 and \$79,207 is included in interest expense on the consolidated statements of operations for the years ended December 31, 2024 and 2023, respectively.

Taxes

The Company and its subsidiaries are limited liability companies and are not subject to federal or state income taxes. Accordingly, no provision has been made for federal or state income taxes since these taxes are the responsibility of individual members. The Company utilizes a two-step approach for recognizing and measuring uncertain tax positions accounted for in accordance with the asset and liability method. The first step is to evaluate the tax position for recognition by determining whether evidence indicates that it is more likely than not that a position will be sustained if examined by a taxing authority. The second step is to measure the tax benefit as the largest amount that is 50% likely of being realized upon settlement with a taxing authority. There were no amounts recorded as of December 31, 2024 or 2023 related to uncertain tax positions.

Advertising Costs

The Company administers national advertising funds (NAF) which are funded by the franchisees for which the associated revenue is recognized in franchise service fees on the consolidated statement of operations. The NAF pays for costs of preparing and producing various advertising and marketing materials for the franchisees. The NAF advertising expenses are recognized as incurred and are included in franchise support expenses on the consolidated statements of operations. NAF advertising expenses for the years ended December 31, 2024 and 2023 were \$1,287,755 and \$991,224, respectively.

2. Summary of Significant Accounting Policies: (Continued)

Advertising Costs: (Continued)

Non-NAF advertising expenses are recognized as incurred and included in franchise sales expenses on the consolidated statements of operations. Non-NAF advertising expenses for the years ended December 31, 2024 and 2023 were \$66,792 and \$559,056, respectively.

Foreign Currency Translation

The assets and liabilities of foreign operations in Canada, whose functional currency is other than the U.S. dollar, are translated to U.S. dollars at the period end exchange rates and revenues and expenses are translated at average exchange rates for the period. For all operations, the monetary items denominated in currencies other than the functional currency are remeasured at period-end exchange rates and transaction gains and losses are included in general and administrative expense in the consolidated statements of operations. Impacts resulting from the foreign currency fluctuations were not significant to the consolidated financial statements as of and during the periods presented.

Fair Value Measurements

The Company applies fair value accounting for all financial assets and liabilities and nonfinancial assets and liabilities that are recognized or disclosed at fair value in the consolidated financial statements on a recurring basis. The Company defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities, which are required to be recorded at fair value, the Company considers the principal or most advantageous market in which the Company would transact and the market-based risk measurements or assumptions that market participants would use in pricing the asset or liability, such as inherent risk, transfer restrictions and credit risk.

The Company applies the following fair value hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 Inputs that are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The carrying amounts of cash and cash equivalents, accounts receivable, inventory, prepaid expenses, accounts payable, accrued liabilities and deferred franchise fees approximate fair value because of the short maturity of the instruments. The carrying value of long-term debt approximates fair value as the stated interest rates are at market rates.

Premium Service Brands and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
For the Years Ended December 31, 2024 and 2023

3. Acquisitions

Window Gang

In May 2023, the Company entered into an asset purchase agreement to acquire substantially all of the assets of Window Gang Ventures Corporation, Inc. for an aggregate net purchase price of \$6,750,000. The transaction was funded by \$6,100,000 in draws on the existing term loan facility and \$750,000 in deferred consideration. Window Gang is a window cleaning franchising company and has been acquired to allow for the expansion of the Company's presence within its home services franchising platform. All goodwill that has been recognized in the acquisition related to intangible assets that do not qualify for separate recognition. Identified goodwill is expected to be deductible for tax purposes.

As a result of the transaction, the Company incurred and expensed transaction costs of \$103,047 which are included in transaction costs on the consolidated statements of operations.

In accordance with guidance issued by the FASB for business combinations, the purchase price was allocated to the assets acquired and liabilities assumed based on their estimated fair values. The purchase price was allocated as follows:

Assets acquired	
Current assets	\$ -
Goodwill	1,635,000
Intangible assets	<u>5,190,000</u>
Assets acquired	6,825,000
Liabilities assumed	<u>(75,000)</u>
Purchase price	<u>\$ 6,750,000</u>

Insight Business Solutions

In January 2023, the Company entered into a membership interest purchase agreement to acquire Insight Business Solutions, LLC for an aggregate purchase price of \$1. Insight operates a contact center and has been acquired to allow the Company's franchisees to process communications with customers within its home services franchising platform.

As a result of the transaction, the Company incurred and expensed transaction costs of \$33,017 which are included in transaction costs on the consolidated statements of operations.

In accordance with guidance issued by the FASB for business combinations, the purchase price was allocated to the assets acquired and liabilities assumed based on their estimated fair values. The purchase price was allocated as follows:

Assets acquired	
Current assets	\$ 24,145
Property & equipment	112,624
Other assets	<u>2,500</u>
Assets acquired	139,269
Liabilities assumed	<u>(139,268)</u>
Purchase price	<u>\$ 1</u>

Premium Service Brands and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
For the Years Ended December 31, 2024 and 2023

4. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Notes receivable	\$ 8,673	\$ 14,547
Prepaid expenses	2,463,690	1,324,609
Prepaid commissions	1,118,849	985,918
Other current assets	<u>75,000</u>	<u>161,345</u>
Total prepaid expenses and other current assets	<u>\$ 3,666,212</u>	<u>\$ 2,486,419</u>

5. Property and Equipment

Property and equipment consisted of the following as of December 31, 2024 and 2023:

	<u>Estimated Useful Life</u>	<u>2024</u>	<u>2023</u>
Office equipment	3 – 5 years	\$ 387,762	\$ 224,403
Software for internal use	1 – 2 years	873,991	687,106
Leasehold improvements	5 years	125,883	322,751
Software in development		<u>153,594</u>	<u>53,917</u>
Total property and equipment		1,541,230	1,288,177
Less: Accumulated depreciation and amortization		<u>(778,768)</u>	<u>(560,153)</u>
Property and equipment, net		<u>\$ 762,462</u>	<u>\$ 728,024</u>

Depreciation and amortization expense related to property and equipment recognized in the consolidated statement of operations was \$334,358 and \$348,175 for the years ended December 2024 and 2023, respectively.

6. Intangible Assets and Goodwill

Intangible Assets

Intangible assets consisted of the following as of December 31, 2024 and 2023:

<u>2024</u>					
	<u>Estimated Useful Life</u>	<u>Gross Amount</u>	<u>Accumulated Amortization</u>	<u>Net Amount</u>	<u>Weighted Average Remaining Useful Life</u>
Franchise relationships	10 years	\$ 13,763,800	\$ 3,650,279	\$ 10,113,521	7.3
Trademarks	15 years	<u>1,656,200</u>	<u>336,616</u>	<u>1,319,584</u>	11.4
Intangible assets		<u>\$ 15,420,000</u>	<u>\$ 3,986,895</u>	<u>\$ 11,433,105</u>	
<u>2023</u>					
	<u>Estimated Useful Life</u>	<u>Gross Amount</u>	<u>Accumulated Amortization</u>	<u>Net Amount</u>	<u>Weighted Average Remaining Useful Life</u>
Franchise relationships	10 years	\$ 13,763,800	\$ 2,273,903	\$ 11,489,897	8.3
Trademarks	15 years	<u>1,656,200</u>	<u>220,600</u>	<u>1,435,600</u>	12.4
Intangible assets		<u>\$ 15,420,000</u>	<u>\$ 2,494,503</u>	<u>\$ 12,925,497</u>	

Premium Service Brands and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
For the Years Ended December 31, 2024 and 2023

6. Intangible Assets and Goodwill: (Continued)

Amortization expense related to intangible assets was \$1,492,392 and \$1,323,392 for the years ended December 31, 2024 and 2023, respectively.

Estimated amortization expense for the subsequent five years and thereafter is as follows:

2025	\$ 1,492,392
2026	1,492,392
2027	1,492,392
2028	1,491,411
2029	1,487,316
Thereafter	<u>3,977,202</u>
	<u>\$ 11,433,105</u>

Goodwill

Changes in the net carrying value of goodwill for the years ended December 31, 2024 and 2023 are as follows:

Balance at December 31, 2022	<u>\$ 5,433,689</u>
Acquisition of Window Gang	<u>1,635,000</u>
Balance at December 31, 2023 & 2024	<u>\$ 7,068,689</u>

7. Other Long-term Assets

Other long-term assets consisted of the following as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Prepaid commissions	\$ 7,881,145	\$ 7,062,651
Notes receivable	<u>7,429</u>	<u>34,628</u>
Total other long-term assets	<u>\$ 7,888,574</u>	<u>\$ 7,097,279</u>

8. Long-term Debt

Long-term debt consisted of the following as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Term loan	\$ 11,864,500	\$ 12,293,250
Delayed draw term loans	8,140,875	8,475,375
Revolving loans	<u>1,200,000</u>	<u>-</u>
Total debt	21,205,375	20,768,625
Less: Current portion	(609,375)	(599,500)
Less: Unamortized deferred loan costs	<u>(159,339)</u>	<u>(250,400)</u>
Long-term debt, net	<u>\$ 20,436,661</u>	<u>\$ 19,918,725</u>

In September 2021, PSB Group entered into a \$6,500,000 term loan, a \$10,000,000 delayed draw term loan and a \$2,250,000 revolving loan of credit agreement with a financial institution (the "Credit Agreement") in order to fund acquisitions completed in 2021 and 2022.

Premium Service Brands and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
For the Years Ended December 31, 2024 and 2023

8. Long-term Debt: (Continued)

In January 2022, the Company borrowed \$3,950,000 under the delayed draw term facility for the acquisition of Rooterman. As part of the funding of this delayed draw term loan, the Company incurred and deferred \$59,250 of related costs.

In October 2022, PSB Group entered into the Second Amendment to the Credit Agreement in order to replace the London Interbank Offering Rate ("LIBOR") with the SOFR rate, a rate equal to the secured overnight financing rate as administered by the Federal Reserve Bank of New York.

In May 2023, PSB Group entered into the Third Amendment to the Credit Agreement (the "Amended Credit Agreement") in order to fund the acquisition of Window Gang. The Company borrowed \$6,100,000 under the Amended Credit Agreement as the First Additional Term Loan Advance.

In December 2023, PSB Group entered into the Fourth Amendment to the Amended Credit Agreement in order to allow for the transfer of the assets of Renew Crew to Window Gang.

Interest on all borrowings under the Amended Credit Agreement is at either the base rate or the SOFR rate, as elected by the Company plus a premium. The base rate is a variable rate equal to the greater of (i) the Federal Funds Rate plus one-half percent (0.50%) per annum, (ii) the Prime Rate, (iii) the sum of the one-month SOFR rate and two and one-quarter of one percent (2.25%), and (iv) three and one-half of one percent (3.50%) per annum. The base rate premium is 4.75% per annum for any term loan or delayed draw term loan and 0.75% per annum for revolving loans. The SOFR premium is 7.25% per annum for any term loan or delayed draw term loan and 3.25% per annum for revolving loans.

As of December 31, 2024, all borrowing under the Amended Credit Facility were SOFR loans with effective interest rates ranging from 7.92% to 12.08% for term, delayed draw term, and revolving loans. The Amended Credit Agreement provides for an annual commitment fee of 0.5% per annum on the excess of the maximum available credit on the revolving loans over average borrowings.

Substantially all of the assets of the Company collateralize the Amended Credit Agreement. The Amended Credit Agreement requires, among other things, maintenance by the Company of minimum levels of cash flow coverage, leverage to EBITDA ratios, and also limits capital expenditures. As of December 31, 2024, the Company was in compliance with these covenants. The Credit Agreement expires on September 17, 2026.

As of December 31, 2024 and 2023, \$0 and \$239,258 of interest was included in accrued liabilities in the consolidated balance sheets, respectively.

Future maturities of long-term debt as of December 31, 2024 are as follows:

2025	\$ 609,375
2026	<u>20,596,000</u>
	<u>\$ 21,205,375</u>

On April 17, 2025, PSB Group entered into a new credit agreement ("2025 Credit Agreement") to provide the funds necessary to repay in full all borrowings outstanding under the Amended Credit Agreement, to finance future acquisitions, to allow PSB to make a one-time tax distribution, and to provide working capital for the Company. The 2025 Credit Agreement contains a \$22,500,000 term loan and a \$3,000,000 revolving loan commitment. Interest on all borrowings under the 2025 Credit Agreement is calculated using either the base rate or the SOFR rate, as elected by the Company, plus an interest premium. The interest premium on base rate and SOFR borrowings vary based on the Company's total debt to EBITDA ratio at the time of the borrowing. Substantially all of the assets of the Company collateralize the 2025 Credit Agreement. The terms of the 2025 Credit Agreement require, among other things, the Company to maintain minimum levels of cash flow coverage and total debt to EBITDA ratios. The 2025 Credit Agreement also limits capital expenditures. The 2025 Credit Agreement has a five-year term and expires on April 16, 2030.

Premium Service Brands and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
For the Years Ended December 31, 2024 and 2023

9. Leases

The Company currently has one lease relating to its corporate headquarters. The Company recognized operating lease expense of \$340,260 for the years ended December 31, 2024 and 2023 in accordance with ASC 842. Cash payments made during the years ended December 31, 2024 and 2023 totaled \$319,275 and \$309,976, respectively and are presented within cash outflows from operating activities. The discount rate used by the Company in determining the lease liability was 12%.

Future payments due under operating leases as of December 31, 2024 are as follows:

2025	\$	328,853
2026		338,719
2027		348,880
2028		359,347
2029		370,127
Thereafter		499,640
	\$	<u>2,245,566</u>
Less effects of discounting		<u>(678,255)</u>
Lease liability	\$	<u><u>1,567,311</u></u>

10. Stock Based Compensation

In accordance with the Second Amended and Restated Operating agreement of the Company, the Board of Managers has the authority to issue up to 7,000 of Class A Common Units ("Class A") and 333.33 of Class B Common Units ("Class B") to management. Both Class A and Class B Units vest in accordance with the respective grant agreements depending on the classification of time vesting or performance vesting based on return of capital. The time vesting units vest over a five-year period beginning on the first anniversary date of the first grant agreements in March 2022. The performance vesting based on return of capital vest on the sale of the Company. As of December 31, 2024, 4,500 Class A and 0 Class B Units' had been granted and 300 Class A Units had vested.

11. Contingencies

The Company is engaged in various legal proceedings incidental to its normal business activities. Management has determined that it is not probable that the Company has incurred any loss contingencies as defined in FASB ASC Topic 450, Contingencies. Accordingly, no liabilities have been recorded for such matters as of December 31, 2024 and 2023. Management believes that the outcome of such matters will not have a material effect of the Company's consolidated financial statements.

12. Employee Benefits Plans

The Company sponsors a 401(k) plan covering the majority of its employees meeting certain eligibility requirements. The plan provides for matching contributions of 100% of the first 3% of employee contributions, 50% of the remaining employee contributions, up to 4% of the participating employees contributions. The Company's contributions to the plan totaled \$186,104 and \$179,957 for the years ended December 31, 2024 and 2023, respectively.

13. Subsequent Events

Management has evaluated subsequent events and transactions for potential recognition or disclosure through April 22, 2025, the date on which the financial statements were available to be issued. Refer to Note 8 for a description of the new credit agreement entered into on April 17, 2025.

Premium Service Brands, LLC and Subsidiaries

Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

Premium Service Brands, LLC and Subsidiaries
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ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountant

Independent Auditors' Report

**Board of Managers
Premium Service Brands, LLC and Subsidiaries**

Opinion

We have audited the accompanying consolidated financial statements of Premium Service Brands, LLC and Subsidiaries, which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the related consolidated statements of operations, changes in member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Premium Service Brands, LLC and Subsidiaries ability to continue as a going concern within 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 Premium Service Brands, LLC and Subsidiaries 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 Premium Service Brands, LLC and Subsidiaries ability to continue as a going concern for a reasonable period of time.

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

Robinson, Farnell, Cox Associates

Charlottesville, Virginia

April 8, 2024

Premium Service Brands, LLC
Consolidated Balance Sheets
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 722,074	\$ 900,157
Accounts receivable, net	2,838,106	2,173,026
Prepaid expenses and other current assets	<u>2,486,419</u>	<u>2,451,969</u>
Total current assets	6,046,599	5,525,152
Property and equipment, net	728,024	439,883
Right-of-use lease asset	1,633,661	1,766,912
Intangible assets, net	12,925,497	9,058,889
Goodwill	7,068,689	5,433,689
Other assets	<u>7,097,279</u>	<u>5,532,968</u>
Total assets	<u>\$ 35,499,749</u>	<u>\$ 27,757,493</u>
Liabilities and Members' Deficit		
Current liabilities		
Accounts payable	\$ 435,883	\$ 119,623
Accrued and other liabilities	3,368,024	2,267,445
Deferred revenue, current	1,860,040	1,548,649
Current maturities of long-term debt	<u>599,500</u>	<u>306,000</u>
Total current liabilities	6,263,447	4,241,717
Long-term debt, net	19,918,725	14,519,393
Lease liability	1,693,259	1,796,225
Deferred revenue, noncurrent	<u>12,809,637</u>	<u>10,901,598</u>
Total liabilities	40,685,068	31,458,933
Members' deficit	<u>(5,185,319)</u>	<u>(3,701,440)</u>
Total liabilities and members' deficit	<u>\$ 35,499,749</u>	<u>\$ 27,757,493</u>

The accompanying notes are an integral part of these consolidated financial statements.

Premium Service Brands, LLC
Consolidated Statements of Operations
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Revenues		
Franchise service fees	\$ 17,385,428	\$ 15,264,829
Franchise sales fees	4,940,724	5,651,579
Other revenues	<u>1,266,744</u>	<u>1,028,652</u>
 Total revenues	 <u>23,592,896</u>	 <u>21,945,060</u>
Costs and expenses		
Franchise support expenses	9,990,315	8,680,470
Franchise sales expenses	5,579,325	5,573,085
General and administrative expenses	4,444,841	3,697,732
Transaction costs	103,047	101,430
Depreciation and amortization	<u>1,671,567</u>	<u>1,445,548</u>
 Total costs and expenses	 <u>21,789,095</u>	 <u>19,498,265</u>
 Operating income	 1,803,801	 2,446,795
Interest income	(2,443)	(5,694)
Interest expense	<u>2,540,123</u>	<u>1,504,408</u>
 Net income	 <u>\$ (733,879)</u>	 <u>\$ 948,081</u>

The accompanying notes are an integral part of these consolidated financial statements.

Premium Service Brands, LLC
Consolidated Statements of Changes in Members' Equity
For the Years Ended December 31, 2023 and 2022

	<u>Members'</u> <u>Capital</u>	<u>Accumulated</u> <u>Deficit</u>	<u>Members'</u> <u>Deficit</u>
Balances at December 31, 2021	\$ <u>(2,234,887)</u>	\$ <u>(1,633,721)</u>	\$ <u>(3,868,608)</u>
Net income	-	948,081	948,081
Distributions to Members	<u>(780,913)</u>	-	<u>(780,913)</u>
Balances at December 31, 2022	<u>(3,015,800)</u>	<u>(685,640)</u>	<u>(3,701,440)</u>
Net income	-	(733,879)	(733,879)
Distributions to Members	<u>(750,000)</u>	-	<u>(750,000)</u>
Balances at December 31, 2023	\$ <u><u>(3,765,800)</u></u>	\$ <u><u>(1,419,519)</u></u>	\$ <u><u>(5,185,319)</u></u>

The accompanying notes are an integral part of these consolidated financial statements.

Premium Service Brands, LLC
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Net income	\$ (733,879)	\$ 948,081
Adjustments to reconcile net income to net cash provided by (used in) operating activities		
Depreciation and amortization	1,671,567	1,445,548
Amortization of deferred loan costs	79,207	69,742
Payments on contingent consideration liabilities	-	(33,819)
Changes in assets and liabilities		
Accounts receivable	(661,073)	(224,286)
Prepaid expenses and other current assets	(31,950)	(1,163,663)
Other assets	(1,564,311)	(201,140)
Accounts payable	243,259	(166,886)
Accrued and other liabilities	209,310	(71,621)
Deferred revenue	311,391	85,663
Other long-term liabilities	1,908,039	277,322
Net cash provided by operating activities	<u>1,431,560</u>	<u>964,941</u>
Cash flows from investing activities		
Business acquisitions, net of cash acquired	(5,979,862)	(4,050,000)
Purchases of property and equipment	(87,473)	(56,961)
Capitalized software development costs	(405,933)	(106,529)
Net cash used in investing activities	<u>(6,473,268)</u>	<u>(4,213,490)</u>
Cash flows from financing activities		
Member distributions	(750,000)	(780,913)
Borrowings from long-term debt, net of deferred financing cost	6,778,500	4,475,450
Repayments of long-term debt	(1,164,875)	(933,167)
Net cash provided by (used in) financing activities	<u>4,863,625</u>	<u>2,761,370</u>
Increase in cash and cash equivalents	(178,083)	(487,179)
Cash and cash equivalents		
Beginning of year	<u>900,157</u>	<u>1,387,336</u>
End of year	<u>\$ 722,074</u>	<u>\$ 900,157</u>

The accompanying notes are an integral part of these consolidated financial statements.

Premium Service Brands and Subsidiaries
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2023 and 2022

1. Organization and Description of Business

Premium Service Brands, LLC (the “Company” or “PSB”) is the parent company of a number of franchisors operating in the United States and internationally which includes the following companies; 360 Painting, LLC (“360 Painting”), House Doctors, LLC, (“House Doctors”), Kitchen Wise, LLC (“Kitchen Wise”), Maid Right, LLC (“Maid Right”), Pro-Lift Doors Franchise, LLC (“Pro-Lift Doors”), Renew Crew, LLC (“Renew Crew”), Rubbish Works, LLC (“Rubbish Works”), Rooterman, LLC (“Rooterman”), The Grout Medic, LLC (“The Grout Medic”), Window Gang, LLC (“Window Gang”), Insight Business Solutions, LLC (“Insight”) and PSB Group, LLC (“PSB Group”). In 2023, the operations of Renew Crew were combined with the operations of Window Gang.

Franchised outlets as of December 31, 2023 and 2022 are summarized as follows:

	Franchises as December 31, 2022	Acquired during the year	Sold during the year	Closed during the year	Franchises as of December 31, 2023
360 Painting	138	-	41	19	160
House Doctors	50	-	13	10	53
Kitchen Wise	8	-	-	2	6
Maid Right	38	-	20	14	44
Pro-Lift	68	-	41	15	94
Renew Crew	2	-	3	5	-
Rooterman	726	-	5	28	703
Rubbish Works	10	-	5	9	6
The Grout Medic	59	-	4	2	61
Window Gang	-	48	-	-	48
	<u>1,099</u>	<u>48</u>	<u>132</u>	<u>104</u>	<u>1,175</u>

2. Summary of Significant Accounting Policies

Financial Statement Preparation and Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the consolidated 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 as assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. The areas that require the use of significant management estimates include purchase price allocation and the carrying value of goodwill and other long-lived assets.

2. Summary of Significant Accounting Policies: (Continued)

Revenue Recognition

The following describes principal activities from which the Company generates its revenues and the associated revenue recognition policy:

Franchise Service Fees

Franchise service fees consist of royalty, call center, technology, national advertising and service fees charged to franchisees. Royalties generally range from 4% to 6% of the franchisee's gross sales, depending on the particular franchise concept and upon other factors. The Company recognizes revenue for royalties as they become billable when the underlying franchisee sales occur. Call center, technology and service fees provide a distinct benefit from the franchise right and are therefore separate performance obligations. Fees for these services are generally billed as a monthly fixed or usage-based amount and are recognized as revenue as the services are performed. The Company administers national advertising funds ("NAF") which are funded by the franchisees and are used to pay for the costs of preparing and producing various advertising and marketing materials for the franchisees. The advertising funded through the NAF benefits the franchise brands overall, rather than the individual franchise owners, and therefore is not a performance obligation separate from the overall franchise right. Any underspending or overspending of the NAF contributions are recorded as accrued and other liabilities or prepaid expenses and other current assets on the consolidated balance sheets.

Franchise Sales Fees

Franchise sales fees consist of initial franchise, renewal and termination fees. The Company's primary performance obligation under the franchise agreements is granting rights to use the Company's intellectual property over the term of the franchise agreement. Initial franchise fees are not a service distinct from the overall initial franchise right performance obligation and are therefore recognized on a straight-line basis over the franchise agreement term.

Other Revenues

Other revenues consist primarily of rebates and convention attendance and sponsorship fees. Rebates received from third-party vendors in return for the Company maintaining a buying program that connects the vendors with the Company's franchise customers are recognized as revenue as they become due, which is generally on a quarterly basis. Rebates are calculated as a percentage of third-party sales. Convention attendance and sponsorship fees are recognized at the time of the convention.

Cash and Cash Equivalents

The Company considers all cash and highly liquid investments purchased with an initial maturity of three months or less to be cash or cash equivalents. Cash consists primarily of cash on hand and cash on deposit. The Company maintains its cash in banks in which deposits may, from time to time, exceed federally insured limits. The Company has not experienced any losses in such accounts and believes that it is not exposed to any significant credit risks related to cash.

In accordance with FASB Accounting Standards Update ("ASU") 2016-15 Statement of Cash Flows (Topic 230), cash payments made not soon after (defined as more than three months) the acquisition date of a business combination to settle any contingent consideration liabilities, the payments are separated and classified as cash outflows from financing activities and operating activities. Cash payments up to the amount of the contingent consideration liability recognized at the acquisition date (including measurement-period adjustments) are classified as financing activities; any excess is classified operating activities. The Company did not pay any contingent consideration during the years ended December 31, 2023 or 2022.

Premium Service Brands and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
For the Years Ended December 31, 2023 and 2022

2. Summary of Significant Accounting Policies: (Continued)

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management determines the allowance for doubtful accounts based on its assessment of the current status of individual accounts. Uncollectible accounts are written off against the allowance when collection of the amounts appears doubtful. As of December 31, 2023 and 2022, the allowance for doubtful accounts was \$232,343 and \$51,605, respectively. During the years ended December 31, 2023 and 2022, the Company had write-offs of uncollectable accounts of \$106,971 and \$213,616, respectively.

Contract Balances

Contract liabilities, in accordance with FASB ASC 606, are amounts collected, or an unconditional right to consideration (receivable) in advance of delivery of goods or services. Contract liabilities are typically related to billed amounts for obligations that have not yet been satisfied and therefore may not be recognized until the conditions of the contract are met. The current portion of contract liabilities is included in deferred revenue on the consolidated balance sheets. Long-term contract liabilities are included in other long-term liabilities on the consolidated balance sheets. The following table presents closing balances of contract liabilities as of December 31, 2023 and 2022:

	<u>2023</u>		<u>2022</u>
Contract liabilities, short-term	\$ 1,860,040	\$	1,548,649
Contract liabilities, long-term	\$ 12,809,637	\$	10,901,598

Costs Incurred to Obtain a Contract with Customers

The Company capitalizes commissions paid to brokers that are a direct result of obtaining a new franchise agreement and amortizes these costs over the franchise agreement period. The short term and long-term portion of the deferred costs related to these arrangements are included in prepaid expenses and other current assets and in other assets, respectively, on the consolidated balance sheets.

Property and Equipment

Property and equipment is stated at historical cost and depreciated using the straight-line method over the estimated useful life of the assets. Additions and betterments are capitalized, maintenance and repairs which do not extend the useful life of the assets are expensed as incurred in general and administrative expenses on the consolidated statements of operations.

Capitalized Software

The Company capitalizes certain costs incurred in the development of various internally used software platforms, in accordance with FASB ASC 350-40, "Internal-Use Software", which requires certain costs incurred during the application development stage be capitalized and other costs incurred during the preliminary project and post-implementation stages be expensed as they are incurred. The Company capitalizes software development costs when the preliminary project stage is completed and the technological feasibility is established. Capitalized costs include personnel and related expenses for employees and third-party contractors who are directly associated with and who devote time to internal-use software projects. Any costs incurred to significantly upgrade or enhance the Company's software platforms are also capitalized. Costs related to the preliminary project activities and post-implementation support activities are expensed as incurred. Amortization of capitalized software costs accounted for in accordance with FASB ASC 350-40 and ASC 985-20 are recognized in depreciation and amortization on the consolidated financial statements using a straight-line method over an estimated useful life of one to two years.

2. Summary of Significant Accounting Policies: (Continued)

Leases

The Company accounts for lease contracts in accordance with ASC 842. As of December 31, 2023, the Company's only facility lease is classified as an operating lease. The Company recognizes as asset for the right to use an underlying leased asset for the lease term and records lease liabilities based on the present value of the Company's obligation to make lease payments under the lease. As the Company's lease does not specify an implicit rate, the Company uses a best estimate of its incremental borrowing rate to discount future lease payments. The Company estimates its incremental borrowing rate based on observable information about risk-free interest rates that are the same tenure as the lease term, adjusted for various factors, including the effects of assumed collateral, the nature of how the loan is repaid, and the Company's credit risk.

The Company evaluates options included in its lease agreement to extend or terminate the lease. The Company will reflect the effect of exercising those options in the lease term when it is reasonably certain that the Company will exercise that option. In assessing whether it is reasonably certain that the Company will exercise an option, the Company considers factors such as:

- The lease payments due in any optional period;
- Penalties for failure to exercise (or not exercise) the option;
- Market factors, such as the availability of similar assets and current rental rates for such assets;
- The nature of the underlying leased asset and its importance to the Company's operations; and
- The remaining useful lives of any related leasehold improvements.

Lease expense for operating leases is recognized on a straight-line basis over the lease term. Variable lease payments, if any, are recognized in the period when the obligation to make those payments is incurred. Lease incentives received prior to lease commencement are recorded as a reduction in the right-to-use asset. Fixed lease incentives received after lease commencement reduce both the lease liability and the right-of-use asset.

Intangible Assets

Intangible assets consist of trademarks and franchise relationships. Intangible assets are stated at their estimated fair value at the date of acquisition. Amortization is computed over the estimated useful lives of the related intangible assets using the straight-line method.

Long-lived Assets

In accordance with FASB ASC 360-10, Accounting for Impairment or Disposal of Long-Lived Assets, long-lived assets, such as property and equipment and intangible assets, are reviewed for impairment, at least annually, or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized at the amount by which the carrying amount of the asset exceeds the fair value of the asset. The Company recognized an impairment charge of \$137,988 for the year ended December 31, 2022 related to the trademarks and franchise relationships of Renew Crew based on continued deterioration in economic performance of the franchised outlets of the brand. The impairment charge is included in depreciation and amortization expense on the consolidated statements of operations. The Company did not recognize any impairment charges for the year ended December 31, 2023.

2. Summary of Significant Accounting Policies: (Continued)

Goodwill

Goodwill represents the excess of acquisition costs over the fair value of assets and liabilities acquired, including specifically identified intangible assets. Goodwill is not amortized but is tested for impairment annually as of the last day of each fiscal year in line with guidance prescribed by FASB ASU 2021-03 "Accounting Alternative for Evaluating Triggering Events" and evaluated if the facts and circumstances at year end indicate if any triggering event existed.

In conducting impairment testing, the Company has the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the estimated fair value of a reporting unit is less than its carrying amount. If the Company performs a qualitative assessment and determines that the carrying value more likely than not exceeds the fair value, then the quantitative impairment test is performed, otherwise no further analysis is required. The Company also may elect not to perform the qualitative assessment and, instead, proceed directly to the quantitative impairment test. The ultimate outcome of the goodwill impairment assessment will be the same whether the Company chooses to perform the qualitative assessment or proceed directly to the quantitative impairment test.

The Company chose to perform a qualitative impairment test for goodwill as of December 31, 2023 and 2022. The Company recognized an impairment charge of \$169,724 for the year ended December 31, 2022 related to the goodwill of Renew Crew based on continued deterioration in economic performance of the franchised outlets of the brand. The goodwill impairment charge is included in depreciation and amortization expense on the consolidated statements of operations.

Deferred Loan Costs

In accordance with FASB ASU 2015-03, Simplifying the Presentation of Debt Issuance Costs, the Company defers certain loan costs, which are presented as a reduction of long-term debt on the consolidated balance sheets. These costs are amortized over the term of the debt using the straight-line method, which approximates the effective interest method. Amortization of \$79,207 and \$69,742 is included in interest expense on the consolidated statements of operations for the years ended December 31, 2023 and 2022, respectively.

Taxes

The Company and its subsidiaries are limited liability companies and are not subject to federal or state income taxes. Accordingly, no provision has been made for federal or state income taxes since these taxes are the responsibility of individual members. The Company utilizes a two-step approach for recognizing and measuring uncertain tax positions accounted for in accordance with the asset and liability method. The first step is to evaluate the tax position for recognition by determining whether evidence indicates that it is more likely than not that a position will be sustained if examined by a taxing authority. The second step is to measure the tax benefit as the largest amount that is 50% likely of being realized upon settlement with a taxing authority. There were no amounts recorded as of December 31, 2023 or 2022 related to uncertain tax positions.

Advertising Costs

The Company administers national advertising funds (NAF) which are funded by the franchisees for which the associated revenue is recognized in franchise service fees on the consolidated statement of operations. The NAF pays for costs of preparing and producing various advertising and marketing materials for the franchisees. The NAF advertising expenses are recognized as incurred and are included in franchise support expenses on the consolidated statements of operations. NAF advertising expenses for the years ended December 31, 2023 and 2022 were \$991,224 and \$1,143,726, respectively.

2. Summary of Significant Accounting Policies: (Continued)

Advertising Costs: (Continued)

Non-NAF advertising expenses are recognized as incurred and included in franchise sales expenses on the consolidated statements of operations. Non-NAF advertising expenses for the years ended December 31, 2023 and 2022 were \$559,056 and \$461,056, respectively.

Foreign Currency Translation

The assets and liabilities of foreign operations in Canada, whose functional currency is other than the U.S. dollar, are translated to U.S. dollars at the period end exchange rates and revenues and expenses are translated at average exchange rates for the period. For all operations, the monetary items denominated in currencies other than the functional currency are remeasured at period-end exchange rates and transaction gains and losses are included in general and administrative expense in the consolidated statements of operations. Impacts resulting from the foreign currency fluctuations were not significant to the consolidated financial statements as of and during the periods presented.

Fair Value Measurements

The Company applies fair value accounting for all financial assets and liabilities and nonfinancial assets and liabilities that are recognized or disclosed at fair value in the consolidated financial statements on a recurring basis. The Company defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities, which are required to be recorded at fair value, the Company considers the principal or most advantageous market in which the Company would transact and the market-based risk measurements or assumptions that market participants would use in pricing the asset or liability, such as inherent risk, transfer restrictions and credit risk.

The Company applies the following fair value hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 Inputs that are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The carrying amounts of cash and cash equivalents, accounts receivable, inventory, prepaid expenses, accounts payable, accrued liabilities and deferred franchise fees approximate fair value because of the short maturity of the instruments. The carrying value of long-term debt approximates fair value as the stated interest rates are at market rates.

Premium Service Brands and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
For the Years Ended December 31, 2023 and 2022

2. Summary of Significant Accounting Policies: (Continued)

Recently Issued Accounting Pronouncements

Business Combinations

In October 2021, the FASB issued ASU 2021-08, "Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers." The amendments in this Update require that an entity (acquirer) recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Topic 606. At the acquisition date, an acquirer should account for the related revenue contracts in accordance with Topic 606 as if it had originated the contracts. To achieve this, an acquirer may assess how the acquiree applied Topic 606 to determine what to record for the acquired revenue contracts. Generally, this should result in an acquirer recognizing and measuring the acquired contract assets and contract liabilities consistent with how they were recognized and measured in the acquiree's financial statements (if the acquiree prepared financial statements in accordance with generally accepted accounting principles [GAAP]). However, there may be circumstances in which the acquirer is unable to assess or rely on how the acquiree applied Topic 606, such as if the acquiree does not follow GAAP, if there were errors identified in the acquiree's accounting, or if there were changes identified to conform with the acquirer's accounting policies. In those circumstances, the acquirer should consider the terms of the acquired contracts, such as timing of payment, identify each performance obligation in the contracts, and allocate the total transaction price to each identified performance obligation on a relative standalone selling price basis as of contract inception (that is, the date the acquiree entered into the contracts) or contract modification to determine what should be recorded at the acquisition date. The amendments in this Update also provide certain practical expedients for acquirers when recognizing and measuring acquired contract assets and contract liabilities from revenue contracts in a business combination. The amendments in this Update are effective for fiscal years beginning after December 15, 2023. The Company is currently reviewing the requirements of the standard and evaluating the impact on its consolidated financial statements.

3. Acquisitions

Window Gang

In May 2023, the Company entered into an asset purchase agreement to acquire substantially all of the assets of Window Gang Ventures Corporation, Inc. for an aggregate net purchase price of \$6,750,000. The transaction was funded by \$6,100,000 in draws on the existing term loan facility and \$750,000 in deferred consideration. Window Gang is a window cleaning franchising company and has been acquired to allow for the expansion of the Company's presence within its home services franchising platform. All goodwill that has been recognized in the acquisition related to intangible assets that do not qualify for separate recognition. Identified goodwill is expected to be deductible for tax purposes.

As a result of the transaction, the Company incurred and expensed transaction costs of \$103,047 which are included in transaction costs on the consolidated statements of operations.

In accordance with guidance issued by the FASB for business combinations, the purchase price was allocated to the assets acquired and liabilities assumed based on their estimated fair values. The purchase price was allocated as follows:

Assets acquired	
Current assets	\$ -
Goodwill	1,635,000
Intangible assets	<u>5,190,000</u>
Assets acquired	6,825,000
Liabilities assumed	<u>(75,000)</u>
Purchase price	<u>\$ 6,750,000</u>

Premium Service Brands and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
For the Years Ended December 31, 2023 and 2022

3. Acquisitions: (Continued)

Insight Business Solutions

In January 2023, the Company entered into a membership interest purchase agreement to acquire Insight Business Solutions, LLC for an aggregate purchase price of \$1. Insight operates a contact center and has been acquired to allow the Company's franchisees to process communications with customers within its home services franchising platform.

As a result of the transaction, the Company incurred and expensed transaction costs of \$33,017 which are included in transaction costs on the consolidated statements of operations.

In accordance with guidance issued by the FASB for business combinations, the purchase price was allocated to the assets acquired and liabilities assumed based on their estimated fair values. The purchase price was allocated as follows:

Assets acquired	
Current assets	\$ 24,145
Property and equipment	112,624
Other assets	<u>2,500</u>
Assets acquired	139,269
Liabilities assumed	<u>(139,268)</u>
Purchase price	<u>\$ 1</u>

Rooterman

In January 2022, the Company entered into an asset purchase agreement to acquire substantially all of the assets of A Corp, Inc. for an aggregate net purchase price of \$3,900,000. The transaction was funded by \$3,950,000 in draws on the existing term loan facility and \$42,267 in cash on hand. Rooterman is a sewer and drain maintenance and repair franchising company and has been acquired to allow for the expansion of the Company's presence within its home services franchising platform. All goodwill that has been recognized in the acquisition related to intangible assets that do not qualify for separate recognition. Identified goodwill is expected to be deductible for tax purposes.

As a result of the transaction, the Company incurred and expensed transaction costs of \$33,017 which are included in transaction costs on the consolidated statements of operations.

In accordance with guidance issued by the FASB for business combinations, the purchase price was allocated to the assets acquired and liabilities assumed based on their estimated fair values. The purchase price was allocated as follows:

Assets acquired	
Current assets	\$ -
Goodwill	1,635,000
Intangible assets	<u>5,190,000</u>
Assets acquired	6,825,000
Liabilities assumed	<u>(75,000)</u>
Purchase price	<u>\$ 6,750,000</u>

Premium Service Brands and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
For the Years Ended December 31, 2023 and 2022

3. Acquisitions: (Continued)

Andy on Call

In March 2022, House Doctors entered into an asset purchase agreement to acquire substantially all of the assets of Andy on Call, LLC for an aggregate net purchase price of \$150,000. The transaction was funded by cash on hand. Andy on Call is a home improvement and handyman franchising company and has been acquired to allow for the expansion of House Doctors.

4. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Notes receivable	\$ 14,547	\$ 24,990
Prepaid expenses	1,324,609	1,514,830
Prepaid commissions	985,918	751,616
Other current assets	<u>161,344</u>	<u>160,533</u>
Total prepaid expenses and other current assets	<u>\$ 2,486,419</u>	<u>\$ 2,451,969</u>

5. Property and Equipment

Property and equipment consisted of the following as of December 31, 2023 and 2022:

	Estimated Useful Life	<u>2023</u>	<u>2022</u>
Office equipment	3 – 5 years	\$ 224,403	\$ 101,801
Software for internal use	1 – 2 years	687,106	241,013
Leasehold improvements	5 years	322,751	314,840
Software in development		<u>53,918</u>	<u>13,402</u>
Total property and equipment		1,288,177	671,056
Less: Accumulated depreciation and amortization		<u>(560,153)</u>	<u>(231,173)</u>
Property and equipment, net		<u>\$ 728,024</u>	<u>\$ 439,883</u>

Depreciation and amortization expense related to property and equipment recognized in the consolidated statement of operations was \$348,175 and \$152,162 for the years ended December 2023 and 2022, respectively.

Premium Service Brands and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
For the Years Ended December 31, 2023 and 2022

6. Intangible Assets and Goodwill

Intangible Assets

Intangible assets consisted of the following as of December 31, 2023 and 2022:

2023					
	Estimated Useful Life	Gross Amount	Accumulated Amortization	Net Amount	Weighted Average Remaining Useful Life
Franchise relationships	10 years	\$ 13,763,800	\$ 2,273,903	\$ 11,489,897	8.3
Trademarks	15 years	<u>1,656,200</u>	<u>220,600</u>	<u>1,435,600</u>	12.4
Intangible assets		<u>\$ 15,420,000</u>	<u>\$ 2,494,503</u>	<u>\$ 12,925,497</u>	
2022					
	Estimated Useful Life	Gross Amount	Accumulated Amortization	Net Amount	Weighted Average Remaining Useful Life
Franchise relationships	10 years	\$ 9,133,400	\$ 1,258,127	\$ 7,875,273	8.8
Trademarks	15 years	<u>1,326,100</u>	<u>142,484</u>	<u>1,183,616</u>	12.8
Intangible assets		<u>\$ 10,459,500</u>	<u>\$ 1,400,611</u>	<u>\$ 9,058,889</u>	

Amortization expense related to intangible assets was \$1,323,392 and \$1,293,384 for the years ended December 31, 2023 and 2022, respectively.

Estimated amortization expense for the subsequent five years and thereafter is as follows:

2024	\$ 1,492,392
2025	1,492,392
2026	1,492,392
2027	1,492,392
2028	1,491,983
Thereafter	<u>5,463,946</u>
	<u>\$ 12,925,497</u>

Goodwill

Changes in the net carrying value of goodwill for the years ended December 31, 2023 and 2022 are as follows:

Balance at December 31, 2021	\$ 4,830,387
Acquisition of Rooterman	739,207
Contingent consideration of House Doctors	33,819
Impairment of Renew Crew	<u>(169,724)</u>
Balance at December 31, 2022	\$ 5,433,689
Acquisition of Window Gang	<u>1,635,000</u>
Balance at December 31, 2022	<u>\$ 7,068,689</u>

Premium Service Brands and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
For the Years Ended December 31, 2023 and 2022

7. Other Long-term Assets

Other long-term assets consisted of the following as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Prepaid commissions	\$ 7,062,651	\$ 5,458,508
receivable	<u>34,628</u>	<u>74,460</u>
Total other long-term assets	<u>\$ 7,097,279</u>	<u>\$ 5,532,968</u>

8. Long-term Debt

Long-term debt consisted of the following as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Term loans	\$ 12,293,250	\$ 6,370,000
Delayed draw term loans	<u>8,475,375</u>	<u>8,663,500</u>
Total debt	20,768,625	15,033,500
Less: Current portion	(599,500)	(306,000)
Less: Unamortized deferred loan costs	<u>(250,400)</u>	<u>(208,107)</u>
Long-term debt	<u>\$ 19,918,725</u>	<u>\$ 14,519,393</u>

In September 2021, PSB Group entered into a \$6,500,000 term loan, a \$10,000,000 delayed draw term loan and a \$2,250,000 revolving loan of credit agreement with a financial institution (the "Credit Agreement") in order to fund acquisitions completed in 2021 and 2022.

In January 2022, the Company borrowed \$3,950,000 under the delayed draw term facility for the acquisition of Rooterman. As part of the funding of this delayed draw term loan, the Company incurred and deferred \$59,250 of related costs.

In October 2022, PSB Group entered into the Second Amendment to the Credit Agreement in order to replace the London Interbank Offering Rate ("LIBOR") with the SOFR rate, a rate equal to the secured overnight financing rate as administered by the Federal Reserve Bank of New York.

In May 2023, PSB Group entered into the Third Amendment to the Credit Agreement (the "Amended Credit Agreement") in order to fund the acquisition of Window Gang. The Company borrowed \$6,100,000 under the Amended Credit Agreement as the First Additional Term Loan Advance.

In December 2023, PSB Group entered into the Fourth Amendment to the Amended Credit Agreement in order to allow for the transfer of the assets of Renew Crew to Window Gang.

Interest on all borrowings under the Amended Credit Agreement is at either the base rate or the SOFR rate, as elected by the Company plus a premium. The base rate is a variable rate equal to the greater of (i) the Federal Funds Rate plus one-half percent (0.50%) per annum, (ii) the Prime Rate, (iii) the sum of the one-month SOFR rate and two and one-quarter of one percent (2.25%), and (iv) three and one-half of one percent (3.50%) per annum. The base rate premium is 4.75% per annum for any term loan or delayed draw term loan and 0.75% per annum for revolving loans. The SOFR premium is 7.25% per annum for any term loan or delayed draw term loan and 3.25% per annum for revolving loans.

Premium Service Brands and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
For the Years Ended December 31, 2023 and 2022

8. Long-term Debt: (Continued)

As of December 31, 2023, all borrowing under the Amended Credit Facility were SOFR loans with effective interest rates ranging from 12.71% to 12.89% for term and delayed draw term loans. The Amended Credit Agreement provides for an annual commitment fee of 0.5% per annum on the excess of the maximum available credit on the revolving loans over average borrowings.

Substantially all of the assets of the Company collateralize the Amended Credit Agreement. The Amended Credit Agreement requires, among other things, maintenance by the Company of minimum levels of cash flow coverage, leverage to EBITDA ratios, and also limits capital expenditures. As of December 31, 2023, the Company was in compliance with these covenants. The Credit Agreement expires on September 17, 2026.

As of December 31, 2023 and 2022, \$239,258 and \$0 of interest was included in accrued liabilities in the consolidated balance sheets, respectively.

Future maturities of long-term debt as of December 31, 2023 are as follows:

2024	\$	599,500
2025		783,000
2026		<u>19,386,125</u>
	\$	<u>20,768,625</u>

9. Leases

The Company currently has one lease relating to its corporate headquarters. The Company recognized operating lease expense of \$340,260 for the years ended December 31, 2023 and 2022 in accordance with ASC 842. Cash payments made during the years ended December 31, 2023 and 2022 totaled \$309,976 and \$300,947, respectively and are presented within cash outflows from operating activities. The discount rate used by the Company in determining the lease liability was 12%.

Future payments due under operating leases as of December 31, 2023 are as follows:

2024	\$	319,275
2025		328,853
2026		338,719
2027		348,880
2028		359,347
Thereafter		<u>869,767</u>
	\$	2,564,841
Less effects of discounting		<u>(871,582)</u>
Lease liability	\$	<u>1,693,259</u>

Premium Service Brands and Subsidiaries
Notes to Consolidated Financial Statements (Continued)
For the Years Ended December 31, 2023 and 2022

10. Stock Based Compensation

In accordance with the Second Amended and Restated Operating agreement of the Company, the Board of Managers has the authority to issue up to 7,000 of Class A Common Units ("Class A") and 333.33 of Class B Common Units ("Class B") to management. Both Class A and Class B Units vest in accordance with the respective grant agreements depending on the classification of time vesting or performance vesting based on return of capital. The time vesting units vest over a five-year period beginning on the first anniversary date of the first grant agreements in March 2022. The performance vesting based on return of capital vest on the sale of the Company. As of December 31, 2023, 4,000 Class A and 111.11 Class B Units' had been granted and 375 Class A and 8.33 Class B Units had vested.

11. Contingencies

The Company is engaged in various legal proceedings incidental to its normal business activities. Management has determined that it is not probable that the Company has incurred any loss contingencies as defined in FASB ASC Topic 450, Contingencies. Accordingly, no liabilities have been recorded for such matters as of December 31, 2023 and 2022. Management believes that the outcome of such matters will not have a material effect of the Company's consolidated financial statements.

12. Employee Benefits Plans

The Company sponsors a 401(k) plan covering the majority of its employees meeting certain eligibility requirements. The plan provides for matching contributions of 100% of the first 3% of employee contributions, 50% of the remaining employee contributions, up to 4% of the participating employees contributions. The Company's contributions to the plan totaled \$179,957 and \$151,049 for the years ended December 31, 2023 and 2022, respectively.

Exhibit D to the Franchise Disclosure Document

LIST OF OUR CURRENT FRANCHISEES

List of Our Current Franchisees

Name	Address	Phone
Doris Santos	102 Drake Ave New Rochelle NY 10805	914 565 3574
Amanda Medina	131 Neptune Ave, New Rochelle, NY 10805	914 233 6329
Arely Diaz	20 Chestnut Hill Ave unit1 White Plains NY 10606	914 609 7832
Aurelina Rodriquez	25 Sickles Place New Rochelle NY 10801	914 258 8652
Brian Powell	605 West 151 st Street. Apt 63 Bronx, NY 10031	917 557 5502
CRC Cleaning Service LLC	5 South Evarts Ave Elmsford NY 10523	914 572 4910
Elsa Figueroa	51 St. Johns Pl New Rochelle, NY 10801	914 365 9471
Erika Ortega	97 Walnut St New Rochelle NY 10801	914-826-3524
JJS Cleaning Ladies, LLC	208 Centre Ave New Rochelle NY 10805	917 640 9492
Joyner Padilla	138 Mayflower Ave New Rochelle NY 10801	914 426 0366
Luisa Maldonado	2424 Westervelt Ave Bronx NY 10469	347 739 8033
Marlis Santos	31 Jones St New Rochelle NY 10801	914 312 3024
Martha Nelly Huachos	6 Cleveland St 2 nd Fl White Plains 10606	914 468 3762
Neiva Tineo	39 Caroline Ave Yonkers NY 10705	914 308 9975
Nelly Vasquez	15 Winthrop Ave New Rochelle NY 10801	347 889 7070
SJ Maid Service	11 William St Patterson, NY 12563	914 208 6897
Victor Castillo	86 Franklin Ave New Rochelle, NY 10805	914 527 1533
Vike Altamirano	60 Walnut St New Rochelle, NY 10801	914 258 4692
Elisa Delpezo*	37 Bent Ave Port Chester, NY 10579	914 312 0499
SAS Maid Services*	75 N Kensico Ave White Plains NY 10604	914 536 0729

Angels Housekeeping*	3117 Fisher Ave Apt 1 White Plains, NY 10606	646 925 0071
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*Current franchisee as of December 31, 2024 but subsequently left the system as of the issuance date of this FDD

New Franchisees as of issuance of FDD and after December 31, 2024

Angela Estrada	26 Walton Ave White Plains, NY 10606	917 913 2114
Amparo Huanca	317 Fisher Ave White Plains, NY 10606	914 369 2405
Esmeralda Alvarez	143 Webster Ave New Rochelle NY 10801	914 557 4309
Ysabel Gonzales	233 Elm Street Yonkers NY 10701	914-258-1261

List of the Master Franchisor's Franchisees as of December 31, 2024

**LIST OF CURRENT FRANCHISEES
(AS OF DECEMBER 31, 2024)**

State	Name	Address	Email	Phone	*if not open as of December 31, 2024
AZ	Jack Ismail	1528 East Sage Drive Casa Grande AZ, 85122	jack.ismail@maidright.com	(403) 771-0022	*
AZ	Ken Clayton	2501 W Behrend Dr., Suite 57 Phoenix AZ, 85027	ken.clayton@maidright.com	(480) 845-2669	
AZ	Angela Clayton	2501 W Behrend Dr., Suite 57 Phoenix AZ, 85027	ken.clayton@maidright.com	(480) 351-3166	
AZ	Rolan Somerville	9750 North Oracle Road Unit 11103 Tucson AZ, 85704	rolan.somerville@maidright.com	(832) 291-0192	
CO	Diptiman Mishra	11039 Watermark Ave Parker CO, 80134	mishra.diptiman@maidright.com	(720) 917-4024	*
CO	Jamie Chavez	9751 Eaton Street Westminster CO, 80020	jamie.chavez@maidright.com	(307) 630-1732	
CT	George Goetz	9 Mott Ave Unit 206 Norwalk CT, 06850	george.goetz@maidright.com	(203) 945-0370	
FL	Alexandra Montealegre	2405 Quatom Blvd. Boyton FL, 33426	alexandra.montealegre@maidright.com	(571) 862-2358	
FL	Madje Akoussan	14002 Sterely Ct S Jacksonville FL, 32256	madje.akoussan@maidright.com	(904) 888-7450	
FL	Madje Akoussan	14002 Sterely Ct S Jacksonville FL, 32256	madje.akoussan@maidright.com	(904) 888-7450	*
GA	Stephania Abdul	I Need Cleaning Services, LLC ATTN: Stephania Abdul 8 The Grn Dover GA, 19901	stephania.abdul@maidright.com	(470) 836-8027	
GA	Stephania Abdul	I Need Cleaning Services, LLC ATTN: Stephania Abdul 8 The Grn Dover GA, 19901	stephania.abdul@maidright.com	(470) 836-8027	*
GA	Chris Hoover	2400 Kirk Lane NW Kennesaw GA, 30152	chris.hoover@maidright.com	(404) 550-8345	
GA	Jason Wyant	3013 Tuscany Park Dr Marietta GA, 30068	jason.wyant@maidright.com	(678) 919-8050	
IA	Amit Tiwari	2981 Church Street Bettendorf IA, 52722	amit.tiwari@maidright.com	(309) 716-1043	*
IN	Jeremy Krumwied	6825 Sweetgrass Ln. Cicero IN, 46034	jeremy.krumwied@maidright.com	(317) 374-7282	
LA	Rhonda Porter	17160 FountianBleau Dr. Prairieville LA, 70769	rhonda.porter@maidright.com	(985) 688-2452	*
LA	Rhonda Porter	17160 Fountainbleau Dr. Prairieville LA, 70769	rhonda.porter@maidright.com	(985) 688-2452	
MD	Vivian Ziwe	11105 Flanagan Lane Germantown MD, 20876	vivian.ziwe@maidright.com	(301) 272-5116	

State	Name	Address	Email	Phone	*if not open as of December 31, 2024
NC	Matt Varum	20460 Chartwell Center Drive, Suite 2 Cornelius NC, 28031	matt.varnum@maidright.com	(760) 845-6049	
NV	Sean Bellinger	9017 S. Pecos Rd. Suite #4440 Henderson NV, 89074	sean.bellinger@maidright.com	(702) 907-2468	
NY	Juan Hernandez	3640 Johnson Ave Apt 4E Bronx NY, 10463	juan.hernandez@maidright.com	(917) 547-0547	
NY	Barbara Reguero	46 Crawford Terrace New Rochelle NY, 10804	barbara.reguero@maidright.com	(914) 441-0578	
OH	Stacy Funk	20 Carnoustie Lane Springboro OH, 45066	craig.funk@maidright.com	(937) 660-0733	
TN	Pam Hubbard	330 Mallory Station Rd Franklin TN, 37067	larry.hubbard@maidright.com	(706) 905-9675	
TX	Shawn Reynolds	18512 Dewitt Place Austin TX, 78738	shawn.reynolds@maidright.com	(727) 278-4361	
TX	Shawn Reynolds	18512 Dewitt Place Austin TX, 78738	shawn.reynolds@maidright.com	(727) 278-4361	*
TX	Kevin Nehring	4409 Grassy Glen Drive Corinth TX, 76208	knehring@maidright.com	(469) 834-1250	*
TX	Shaun Luedecke	23310 Grand Corner Drive Suite 210 Katy TX, 77494	shaun.luedecke@maidright.com	(832) 331-5660	
TX	Lilia Becerra Jimenez Orozco	19770 Clay Road Apt 1330 Katy TX, 77449	ljimenez@maidright.com, eorozco@maidright.com	524272143877	*
TX	Lenette Spivey	23310 Grand Corner Drive Suite 210 Katy TX, 77494	randy.spivey@maidright.com	(832) 331-5660	
TX	Piali Mukherjee	229 Broad Street #1 Raleigh TX, 06053	piali.mukherjee@maidright.com	(289) 946-0192	*
TX	Cynthia Asaf	18411 Harlow Drive Tomball TX, 77377	cynthia.asaf@maidright.com	(346) 332-7233	
TX	Greg Asaf	18411 Harlow Drive Tomball TX, 77377	greg.asaf@maidright.com	(713) 252-4386	
VA	John Sanfacon	701 N. Courthouse Rd, Suite 101 North Chesterfield VA, 23236	john.sanfacon@maidright.com	(804) 480-0022	

Exhibit E to the Franchise Disclosure Document

LIST OF OUR FORMER FRANCHISEES
JANUARY 1, 2024 to DECEMBER 31, 2024

NONE

**LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM
(JANUARY 1, 2024 TO DECEMBER 31, 2024)**

MR FRANCHISOR

**LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM
(JANUARY 1, 2024 TO DECEMBER 31, 2024)**

MR FRANCHISOR

State	Name	City	Phone	Disposition
FL	Deborah Blacher	Orlando	(407) 277-5045	Termination
FL	Deborah Blacher	Orlando	(407) 277-5045	Termination
FL	Nicole White	Riverview	(813) 767-7295	Termination
FL	Debbie Blacher	Winter Springs	(407) 277-5045	Termination
GA	Colin Williams	Athens	(573) 214-1548	Ceased Operations - Other Reason
GA	Joel Tapsoba	Lawrenceville	(402) 714-4486	Transfer
GA	Joel Tapsoba	Lawrenceville	(402) 714-4486	Transfer
NY	John Flanagan	Pine Bush	(845) 863-7968	Ceased Operations - Other Reason
NY	John Flanagan	Pine Bush	(845) 863-7968	Ceased Operations - Other Reason
TN	Tracey Felts	Chattanooga	(123) 123-1234	Ceased Operations - Other Reason
TX	Latasha Morrison	Cypress	(520) 271-0883	Ceased Operations - Other Reason
TX	Latasha Morrison	Cypress	(520) 271-0883	Ceased Operations - Other Reason
TX	Karen Kimble	Houston	(832) 768-3948	Recission
TX	Karen Kimble	Houston	(832) 768-3948	Recission
TX	Cassandra Cotton	Houston	(254) 733-6085	Ceased Operations - Other Reason
TX	Matt McCollum	Southlake	(214) 697-3805	Ceased Operations - Other Reason
VA	Ben Floyd	Charlottesville	(434) 996-1082	Ceased Operations - Other Reason

Exhibit F to the Franchise Disclosure Document

FRANCHISE ADMINISTRATOR CONTACTS

Agent for Service of Process for New York:

Secretary of State
99 Washington Avenue
Albany, NY 12231

Administrator for New York:

NYS Department of Law
Investor Protection
Bureau 28 Liberty St,
21st Fl
New York, NY 10005
212-416-8222

Exhibit G to the Franchise Disclosure Document

NEW YORK STATE ADDENDUM

NEW YORK STATE ADDENDUM TO FDD

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR RESOURCES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

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

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

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

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

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

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

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; this proviso intends that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled “Termination by a franchisee”: “You may terminate the agreement on any grounds available by law.”

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

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

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

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

EXHIBIT H

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
New York	Pending

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

**EXHIBIT I
RECEIPT**

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

If Double Bar Cleaning, LLC offers you a franchise, Double Bar Cleaning, LLC 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. However, some state franchise laws (including New York) require it to provide this Disclosure Document to you at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Double Bar Cleaning, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580, or the authorized state administrator listed in Item 1.

Franchise Seller: Barbara Reguero at 92 North Avenue, Suite 109, New Rochelle, New York 10801, 914- 999-4747, Barbara.reguero@maidright.com

Double Bar Cleaning, LLC's agent in this state authorized to receive service of process is listed in Item 1

Issuance date: May 15, 2025

I received a disclosure document dated May 15, 2025, that included the following Exhibits:

- A - Franchise Agreement
- B - Table of Contents-Operations Manual
- C - Financial Statements (Regional Master Franchisee and Master Franchisor)
- D - List of Our Current Unit Outlets
- E - List of Our Former Unit Outlets

Date:_____

Your Name (Please print) _____

Your signature: _____

You should return one copy of the signed receipt either by signing, dating, and mailing it to Barbara Reguero at 92 North Avenue, Suite 109 New Rochelle, New York 10801; or by emailing (as an attachment) a copy of the signed receipt to Barbara Reguero at Barbara.reguero@maidright.com. You may keep the second copy for your records.

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