

FRANCHISE DISCLOSURE DOCUMENT



Forward Franchising, Inc.
a Wisconsin Corporation
d/b/a Jani-King of Green Bay
520 North Broadway, Suite 160
Green Bay, WI 54303
920-884-9900
www.janiking.com/greenbay

Focus Franchising, Inc.
a Wisconsin Corporation
d/b/a Jani-King of Madison
6472 Ronald Reagan Avenue
Madison, Wisconsin 53704
608-661-1990
www.janiking.com/madison

This Franchise Disclosure Document is for the sale of a Jani-King franchise. The franchisee will provide comprehensive cleaning and maintenance-related services, including commercial, industrial, and institutional cleaning and/or maintenance services and the distribution of related supplies and equipment, under the name "JANI-KING" in the Madison area, consisting of the Wisconsin counties of Columbia, Dane, Green, Rock and Sauk and/or the Green Bay area, consisting of the Wisconsin counties of Adams, Brown, Calumet, Door, Green Lake, Juneau, Kewaunee, Manitowoc, Marathon, Marquette, Outagamie, Portage, Shawano, Waupaca, Waushara, Winnebago, and Wood.

In this Franchise Disclosure Document, we refer to FOCUS FRANCHISING, INC. D/B/A JANI-KING OF MADISON ("FFI") (the Franchisor) as "JANI-KING OF MADISON," "we" or "us," and to the business entity being awarded the franchise (the Franchisee) as "you." The term "you" does not include the owners of the Franchisee's business entity, unless otherwise stated.

In this Franchise Disclosure Document, we also refer to FORWARD FRANCHISING, INC. D/B/A JANI-KING OF GREEN BAY ("FFI") (the Franchisor) as "JANI-KING OF GREEN BAY," "we" or "us," and to the business entity being awarded the franchise (the Franchisee) as "you." The term "you" does not include the owners of the Franchisee's business entity, unless otherwise stated.

The total investment necessary to begin operation of a JANI-KING franchise ranges from \$12,955 to \$218,100. This includes the following amounts that must be paid to us or our affiliate: (a) the initial franchise fee of \$10,000 to \$195,500, as described further in Item 5, and (b) the estimated purchase price ranging from \$2,955 to \$7,940, for certain supplies and equipment you must obtain prior to opening your Jani-King franchise. **If you are a veteran, we offer a 50% discount to the plan you choose.**

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 Jeffrey Weyker or Kristi Garske, Focus Franchising, Inc., 6472 Ronald Reagan Avenue, Madison, WI 53704, (608) 661-1990.

The terms of your contract will govern your franchise relationship. Do not 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.

Date of Issuance: August 31, 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 and Exhibit VIII.
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 VII 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 Jani-King 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 Jani-King franchisee?	Item 20 and Exhibit VIII lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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:

Out-of-State Dispute Resolution. The franchise agreement requires you to resolve disputes with the franchisor by litigation only in Wisconsin. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost more to litigate with the franchisor in Wisconsin than in your own state.

Minimum Royalty Requirement. You must maintain minimum gross revenue performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.

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.

Effective Date: August 31, 2025

FRANCHISE DISCLOSURE DOCUMENT
TABLE OF CONTENTS

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

EXHIBITS

Exhibit I	Franchise Agreement with Guaranty
Exhibit II	Account Acceptance Agreement
Exhibit III	Office Supply and Advertising Package, Supply and Equipment Package, and Additional Electric Equipment
Exhibit IV	Equipment Lease Agreement and Guaranty of Payment and Performance
Exhibit V	General Release
Exhibit VI	Business Protection Plan Election Form
Exhibit VII	Table of Contents for Manuals
Exhibit VIII	Financial Statements
Exhibit IX	List of Current Franchisees and Franchisees Who Have Left the System
Exhibit X	Litigation and Bankruptcy Involving JK INT'L and its Affiliates
Exhibit XI	Receipts

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

The Franchisor, its Parents and Predecessors.

We are a Wisconsin corporation formed on April 25, 2013. We conduct business under the name FOCUS FRANCHISING, INC. D/B/A JANI-KING OF MADISON. Our principal place of business is 6472 Ronald Reagan Avenue, Madison, WI 53704. Our registered agent and registered address for service of process is Jeffrey Weyker, 6472 Ronald Reagan Avenue, Madison, WI 53704.

We are also a Wisconsin corporation formed on March 5, 2018. We conduct business under the name FORWARD FRANCHISING, INC. D/B/A JANI-KING OF GREEN BAY. Our principal place of business is 520 North Broadway Suite 160, Green Bay WI 54303. Our registered agent and registered address for service of process is Jeffrey Weyker, 6472 Ronald Reagan Avenue, Madison, WI 53704.

We do not have any other predecessors.

We are in the business of franchising comprehensive commercial cleaning and maintenance businesses like the type we are offering to you. In June 2013, we entered into a Regional Franchise Agreement with JANI-KING FRANCHISING, INC. ("JKF"), which granted us the right to offer JANI-KING franchises in Madison and the surrounding area which includes the Wisconsin counties of Sauk, Columbia, Dane, Green and Rock (the "Madison Area"). On May 1, 2018, we also entered into a Regional Franchise Agreement with JANI-KING FRANCHISING, INC. ("JKF"), which granted us the right to offer JANI-KING franchises in Green Bay and the surrounding area which includes the Wisconsin counties of Adams, Brown, Calumet, Door, Green Lake, Juneau, Kewaunee, Manitowoc, Marathon, Marquette, Outagamie, Portage, Shawano, Waupaca, Waushara, Winnebago, and Wood (the "Green Bay Area"). We do not engage in any other businesses, and we have not offered franchises in any other lines of business. Only individual JANI-KING franchises are offered in this Franchise Disclosure Document.

Our Affiliates.

JKF has multiple affiliates and a parent:

The following affiliates listed below ("Corporate Region Subs") are wholly owned subsidiaries of JKI that offer franchises in other territories similar to the type being offered by us. All of the Corporate Region Subs are Texas corporations, and all of them share our principal business address. None of the Corporate Region Subs has conducted the type of business you will operate or any type of business other than offering franchises of the type we are offering you (although in different territories than those in which we sell JANI-KING franchises). The chart below shows the date of incorporation for each Corporate Region Sub and how long each Corporate Region Sub has offered JANI-KING franchises. None of the Corporate Region Subs have offered franchises in other lines of business.

<u>CORPORATE REGION SUB</u>	DATE INCORPORATED	DATE BEGAN CONDUCTING BUSINESS	SELLING FRANCHISES SINCE
Jani-King of Buffalo, Inc.	11/02/92	08/12/96	08/12/96
Jani-King of Hartford, Inc.	11/02/92	01/01/93	01/01/93
Jani-King of Miami, Inc.	06/14/88	08/01/88	08/01/88
Jani-King of Michigan, Inc.	03/05/87	04/08/87	04/08/87
Jani-King of Minnesota, Inc.	11/09/87	12/01/87	12/01/87
Jani-King of New Jersey, Inc.	10/24/90	07/01/91	07/01/91
Jani-King of New York, Inc.	05/29/86	02/01/88	02/11/88
Jani-King of Oklahoma, Inc.	05/31/79	06/01/79	06/01/79
Jani-King of Philadelphia, Inc.	06/15/90	07/01/90	07/01/90
Jani-King of Pittsburgh, Inc.	09/29/06	09/29/06	09/29/06
Jani-King of St. Louis, Inc.*	09/07/88	08/01/24*	TBD*
Jani-King of Tulsa, Inc.	06/29/07	06/29/07	06/29/07
Jani-King of Washington, D.C., Inc.	04/28/89	06/01/89	06/01/89

*Jani-King of St. Louis, Inc. previously operated and sold franchises from September 1988 to February 2017 before selling its assets to a Regional Franchisor (defined below). It resumed operations in August 2024 and expects to resume selling franchises soon.

Jani-King Franchising, Inc. ("JKF"), is a wholly owned subsidiary of JK INT'L and was incorporated in Texas on October 1, 1985. JKF has never conducted the type of business you will operate. JKF has developed territories under a Regional Franchise program called "Regional Franchisors" since October of 1985. Specifically, JKF offers Regional Franchisors the right to, within exclusive territories, both offer franchises and conduct businesses of the same type you will operate. JKF does not offer franchises in other lines of business.

Jani-King Leasing Corporation ("LEASING") is a Texas corporation incorporated on December 21, [1981. LEASING shares our principal business address.](#) LEASING leases commercial cleaning equipment to franchisees operating JANI-KING franchises. It neither conducts the type of business you will operate nor offers franchises providing the type of business you will operate or any other type of business.

JKI Indemnity SPC is a company formed under the laws of the Cayman Island on December 15, 1999. Its principal business address is c/o Marsh Management Services Cayman Ltd., Governors Square, Building 4, 2nd Floor, 23 Lime Tree Bay Avenue, P.O. Box 1051, Grand Cayman KY1-1102, Cayman Islands. JKI Indemnity SPC assists in operating the Business Protection Plan described in Item 6 below. It neither conducts the type of business you will operate nor offers franchises providing the type of business you will operate or any other type of business.

Jani-King Insurance Services, LLC ("JK INSURANCE") is a Texas limited liability company formed on June 15, 2010. JK INSURANCE shares our principal business address. JK INSURANCE is a licensed insurance producer that provides certain services to our franchisees relating to the Business Protection Plan described in Item 6 below. It neither conducts the type of business you will operate nor offers franchises providing the type of business you will operate or any other type of business.

Our Franchise Program.

You will use the methods, procedures and products developed under the JANI-KING marks, and we will provide support services to you. We grant franchises for the performance of complete cleaning and/or maintenance related services, including commercial, industrial, and institutional cleaning and/or maintenance services and the distribution of related supplies and equipment under the name JANI-KING. The type of services you will be providing under your franchise include carpet cleaning, hard floor care, trash disposal, window washing, wall cleaning, and other specialty cleaning services in various industries on a daily, weekly, or monthly schedule. The territory granted to you by us under the franchise agreement is not exclusive to you, and we have the right to grant other franchises in your territory. The non-exclusive territory granted to you under the franchise agreement will consist of the territory described commonly as the Madison and/or Green Bay Standard Metropolitan Statistical Area. In the event you already own one of our franchises and you purchase additional franchises, you will be required to sign the then current franchise agreement and the conditions existing at the time of the purchase will control the franchise relationship.

You will have the right to purchase a Plan of your choosing. The Plan you choose will determine what Initial Franchise Fee you must pay and what amount of Initial Business we must offer you by the time your Initial Offering Period ends. "Initial Business" means the cumulative gross monthly billings we are required to offer you under your Plan from all accounts. "Initial Offering Period" is the period beginning after you have (a) obtained all required equipment and supplies, (b) successfully completed the initial training program to our satisfaction, (c) provided proof of required insurance, (d) provided proof that your business entity is in existence and in good standing, (e) delivered IRS Form W-9, (f) provided proof of registration with all applicable taxing authorities (including federal, state and local taxing authorities) and (g) delivered proof of a valid and active business checking account and ending the number of days thereafter that your Plan designates.

Although we are required by the end of the Initial Offering Period to have offered you the right to provide service to accounts that will yield the Initial Business, we do not guaranty that your cumulative gross monthly billings will ever reach or remain at the Initial Business. That is because: (1) the Initial Business may be offered to you in stages during the Initial Offering Period; (2) you may not accept all the accounts offered; (3) accounts may cancel the contract or request a change of franchisees due to your poor performance; or (4) the account may move or go out of business before the end of the contract period. To effectively provide service to these accounts, you must adhere to the quality standards associated with the JANI-KING marks, maintain good customer relations, and maintain industry standard commercial cleaning production rates.

We will provide a limited guarantee on each account we have offered you as part of the Initial Business that you agree to service. Under the limited guarantee, if the particular account is lost for any reason during the 12-month period after you accepted it and the loss is not attributable to your act or omission, we will replace that account for no additional charge for a time equal to 12 months less the amount of time you provided service to the lost account.

Each month, you may provide service to customers that have contracted for commercial cleaning services. At the beginning of each month, we will invoice each customer for the service to be provided that month. All of the customer billing and accounting for services you provide will be performed by us each month in our corporate office in Madison, WI. We will issue to you, on the fifth or tenth of each month (unless the fifth or tenth falls on a holiday or weekend), a monthly franchisee report. The report will list all services performed by you and all money collected by us for the services performed by you. We will deduct all royalty fees, accounting fees, advertising fees, Initial Franchise Fee Monthly Payments, charge backs (due to non-payment by customers), Business Protection Plan fees, technology license fees, and any other charges such as supply purchases and equipment leases from your monthly revenue and issue you a check in the amount of the difference.

The Market and Competition.

The market for your products and services consists of customers seeking cleaning and/or maintenance for their commercial properties. The market for commercial cleaning services is developed in some areas and developing in others, depending on the existing businesses and economic conditions in the particular area. Sales of the products and services that you will offer are not generally seasonal.

You will be competing with national and local businesses offering janitorial and maintenance services. Some of these competitors may be independent operators, part of a chain or even a franchise network. Additionally, many of these competitors may have substantial financial, marketing, branding and/or other resources available to them.

Regulations.

You must be familiar with local, county, state and federal laws which apply generally to the janitorial and cleaning industries. These laws may include federal, state and local regulations concerning health, discrimination, employment, sexual harassment and advertising. In addition, the laws, rules and regulations which apply to businesses in general will affect you. Consult your lawyer about them.

COVID-19 has disrupted and continues to significantly disrupt local, regional and global economies and businesses. The situation regarding COVID-19 is changing rapidly and subject to change. You must, at all times, comply with all applicable laws, rules and orders of any government authority concerning the outbreak and your response. Disruptions to normal economic activity in the coming weeks and months cannot be predicted. Federal, state and local laws have required certain businesses to remain open, while other businesses, such as bars, nightclubs, theaters, gyms and convention centers have been closed. Janitorial businesses like Jani-King franchises have been generally permitted to continue operations as essential businesses during the coronavirus outbreak. However, even though your franchise can operate under the restrictions, one or more of your customers may have to suspend services during the ongoing coronavirus outbreak and resulting shutdowns. We reserve the right to make any adjustments to our services as we may determine necessary, in our sole judgement, from time to time in order to protect health and safety. These adjustments may include, by way of example but without limitation, suspending in-person gatherings such as training, meetings and conferences; instead, such events may be conducted virtually.

ITEM 2 BUSINESS EXPERIENCE

Jani-King of Madison and Green Bay

Director, President, Vice President, Treasurer and Secretary: Jeffrey Weyker

Mr. Weyker is the Director, President, Vice President, Treasurer and Secretary of Focus Franchising, Inc. d/b/a Jani- King of Madison and Forward Franchising, Inc. d/b/a Jani-King of Green Bay. Mr. Weyker joined Jani-King of Illinois in 1994 and served various positions there, as well as at Jani-King International, Jani-King of Milwaukee, and Jani- King of Knoxville. Mr. Weyker joined Jani-King of Madison in May of 2009 as its Division Manager. Mr. Weyker also joined Jani-King of Milwaukee in October 2006 as its Vice President. In February 2008, Mr. Weyker was promoted to President of Jani-King of Milwaukee. In April 2013, Mr. Weyker formed Focus Franchising, Inc. d/b/a Jani-King of Madison and acquired the rights to franchise JANI-KING in the Madison area. In May 2018, Mr. Weyker formed Forward Franchising, Inc. d/b/a Jani-King of Green Bay and acquired the rights to franchise JANI-KING in the Green Bay Area, at that time.

Jani-King Franchising, Inc.

President, Chief Executive Officer, Secretary, and Director: James A. Cavanaugh, Jr.

Mr. Cavanaugh has served as the President, Chief Executive Officer, and Secretary for us, JK INT'L, JKI, JKF, LEASING, and each of the Corporate Region Subs except for Jani-King of Pittsburgh, Inc. (for which he serves as only President and Secretary), since December 2021. Mr. Cavanaugh has also served as a Director for us, each of the Corporate Region Subs, JK INT'L, JKI, JKF, LEASING, and INSURANCE since each company's respective date of formation. For more than five years prior to December 2021, Mr. Cavanaugh served as Vice President and Secretary of us, each of the Corporate Region Subs, JK INT'L, JKI, and LEASING. He has also served as Vice President of INSURANCE since its formation in June 2010. Mr. Cavanaugh serves in these capacities in our office in Addison, Texas.

Chief Operating Officer: John Crawford

Mr. Crawford has been our Chief Operating Officer since December 2021 and Chief Operating Officer of JK INT'L since May 2021. Mr. Crawford has also served as the Chief Operating Officer of JKI and each of the other Corporate Region Subs, except for Jani-King of Pittsburgh, Inc., since December 2021. Mr. Crawford has also served as the Co-President and Secretary of Opportunity Franchising, Inc., and C&C Nevada, LLC since April 2021. Mr. Crawford serves in these capacities in our office in Addison, Texas. Prior to joining JK INT'L, Mr. Crawford was the District/Area Sales Manager of Eli Lilly & Company from May 1998 to May 2021 in Flower Mound, Texas.

Vice President of Sales of JK INT'L: William Dwyer

Mr. Dwyer has been our Vice President of Sales of JK INT'L since May 2023 and is based in our office in Addison, Texas. From April 2022 to May 2023, he was a Regional Director of Jani-King of Michigan, Inc. and was based out of our Livonia, Michigan regional office. He was a Regional Director for our Jani-King of Miami, Inc. regional office in Hollywood, Florida from October 2020 to April 2022. He was employed as a Vice President of Business Development for Parking Reservations Software, LLC from February 2017 to September 2020 in Tampa, Florida.

Divisional Vice President of JK INT'L: Theresia Redaelli

Ms. Redaelli has been our Divisional Vice President of JK INT'L since October 2024 and is based in our office in Addison, Texas. She was in between positions from August 2024 to October 2024. Prior to working at Jani-King, she was employed with CarMax as a General Manager from August 2019 to March 2021 in Ashburn, Virginia. She was promoted to Principal Field Lead in Richmond, Virginia from March 2021 to September 2022. She was promoted to Regional Vice President in New Orleans, Louisiana from September 2022 to August 2024.

Director of Sales of JK INT'L: Eardis Grisby

Mr. Grisby has been our Director of Sales of JK INT'L since June 2024 and is based in our office in Addison, Texas. From February 2024 to June 2024, he was an Operations Manager of Enterprise Mobility Management in Plano, Texas. He was in between positions from December 2023 to February 2024. Mr. Grisby was a Search Consultant for GPAC in Plano, Texas from January 2023 to December 2023. He was a Sales Education Training Manager for Stryker Spine Company in Leesburg, Virginia from April 2020 to January 2023. Mr. Grisby was a Senior Sales Analyst for Stryker Endoscopy Company in Flower Mound, Texas from January 2017 to April 2020.

Vice President of Franchise Development and Vice President of National Accounts of JK INT'L: Al Patino

Mr. Patino has served as Vice President of Franchise Development since June 2023 and is based in our office in Addison, Texas. He has also been Vice President of National Accounts of JK INT'L since November 2014. He was a Divisional Vice President of JK INT'L from April 2020 to May 2023.

Assistant Secretary: Lauren M. Rambo

Ms. Rambo has been affiliated with JANI-KING since February 1994, when she was hired as the Executive Assistant to the Chairman of JK INT'L. Ms. Rambo also has served as our Assistant Secretary since September 2009. She has also served as Assistant Secretary of the other Corporate Region Subs, JKI, JK INT'L, JKF and LEASING since September 2009. Ms. Rambo serves in these capacities in our office in Addison, Texas.

Vice President – Education & Training of JK INT'L: Theodore “Ted” Looney

Mr. Looney has served as the Vice President – Education and Training for JK INT'L since February 2018 and is based in Addison, Texas. Prior to his current position, he served as the Vice President – International Regional Franchisors of JK INT'L from August 2011 to January 2018 in Addison, Texas.

**ITEM 3
LITIGATION**

Jani-King of Madison and Green Bay

No litigation is required to be disclosed in this Franchise Disclosure Document involving us, any of our predecessors, any of our affiliates, or any of our officers, directors, or other executives disclosed in Item 2.

JK INT'L

See Exhibit X to this Franchise Disclosure Document for litigation involving JK INT'L and its affiliates

**ITEM 4
BANKRUPTCY**

Jani-King of Madison and Green Bay

No person previously identified in Items 1 or 2 of this Disclosure Document has been involved as a debtor in proceedings under the U.S. Bankruptcy Code or in proceedings under the laws of foreign nations relating to bankruptcy required to be disclosed in this Item.

JK INT'L

No person previously identified in Items 1 or 2 of this Disclosure Document has been involved as a debtor in proceedings under the U.S. Bankruptcy Code or in proceedings under the laws of foreign nations relating to bankruptcy required to be disclosed in this Item.

ITEM 5 INITIAL FEES

Initial Franchise Fee.

The Initial Franchise Fee varies depending on the Plan you decide to purchase and is determined by the amount of Initial Business that comes with each Plan. We offer a 50% discount to qualified United States military veterans (see below). The Initial Franchise Fee due for each Plan, except for any applicable sales tax, is the minimum total amount you must pay to us when you purchase your franchise. Sales tax is computed in accordance with state and local laws.

The amounts of the Initial Franchise Fee are outlined in the following schedule for Plans A, B, C, D (other Plans with more Initial Business may be available):

PLAN	INITIAL BUSINESS	INITIAL FRANCHISE FEE
D	10,000	38,000
C	7,500	29,000
B	5,000	19,500
A	2,500	10,000

JANI-KING VET-FRAN PROGRAM: In order to provide additional support to the veterans of the United States military, we offer a 50% discount off the Initial Franchise Fee to qualifying veterans. The program is available for those veterans who have received a discharge (other than dishonorable) as well as any active duty personnel. The franchise must be operated under a corporation or limited liability company, and the veteran participant must maintain at least a 51% ownership interest in such entity. A copy of the form DD-214, evidencing the status of a participating veteran, must be submitted with the franchise agreement. The amounts of the Initial Franchise Fee under the Jani-King Vet-Fran Program are outlined below.

SCHEDULE OF TERMS JANI-KING VET-FRAN PROGRAM

PLAN	INITIAL BUSINESS	INITIAL FRANCHISE FEE
D	10,000	19,000

C	7,500	14,500
B	5,000	9,750
A	2,500	5,000

Except as described above, the Initial Franchise Fee is not refundable and is fully earned by us when paid. However, if we fail to offer you the right to provide service under contracts with cumulative total initial gross monthly billings equal to the value of the Initial Business for your Plan within the Initial Offering Period described in Item 11, we may refund an amount equal to three (3) times the amount of Initial Business not offered to you, less any amount you owe us or our affiliates. A refund will first be applied to any current, unpaid fees or charges you owe that would result in a negative due on your Franchisee Report, and then to any other outstanding balance you owe to us or our affiliates, including any lease obligations owed to our affiliates. We will pay the remaining sum, if any, to you. A refund under this provision fulfills our obligation to offer you any remaining portion of the Initial Business used to calculate the refund.

EXAMPLE:

Plan B purchased; \$2,500 of Initial Business offered by us for you to service

Refund: \$5,000 Amount of Initial Business to be offered by us for you to service under Plan B

~~-2,500~~ Amount of Initial Business actually offered

\$2,500 Amount of Initial Business not offered

X 3 =

\$7,500 Total Credit (this credit may be applied to money you owe to us or if no money is owed to us, it may be refunded to you)

Equipment and Supplies.

You must acquire all the required commercial cleaning equipment and supplies before you will be authorized to service any accounts as a JANI-KING franchisee. The Supply and Equipment Package may be purchased from LEASING through us, subject to shipping restrictions, or from any other source that sells commercial grade cleaning products and equipment. However, JANI-KING reserves the right, upon thirty days' notice to you, to require you to purchase all cleaning equipment and supplies for the operation of your franchise from one of our affiliates or from an approved vendor. You are not required to purchase the Supply and Equipment Package from us or our affiliates. However, if you choose to purchase the Supply and Equipment Package from us or our affiliates, the cost, based on price rates in use as of August 31, 2024, is approximately \$1,800.00 and is payable upon order.

The Additional Electric Equipment required may also be purchased or leased from us. If the Additional Electric Equipment is purchased or leased from us, the total approximate cost, depending on the franchise plan that you purchase, ranges from approximately \$2,846 to \$8,862 based on the rates in use as of April 1, 2024. If you choose to lease the equipment, total lease payments include a down payment with an approximate range from approximately \$356 to \$1,108 and 12 monthly payments with an approximate range from approximately \$178 to \$554, depending on which franchise plan you purchase. At

the end of the lease period, you may purchase the equipment for a final purchase payment ranging from \$356 to \$1,108. Longer lease terms may be available for certain equipment.

You pay us or our affiliates no other fees or payments for services or goods before your Jani-King business commences operations.

ITEM 6 OTHER FEES

<i>Type of Fee</i>	<i>Amount</i>	<i>Due Date</i>	<i>Remarks</i>
Royalty Fee (1)	10% of monthly Gross Revenue (2)	Deducted on fifth or tenth day of each month for the prior month	Subject to \$100 minimum for first 12 months, and then \$500 minimum , adjusted for increases in the Consumer Price Index
Accounting and sales Fee (3)	7.0% of monthly Gross Revenue (2)	Deducted on fifth or tenth day of each month for the prior month	We will account for all revenue and expense transactions on a monthly basis. We disburse revenues to you for previous month's service less applicable deductions. (3)
Advertising Fee (4)	Currently 1.5% but may be increased to up to 2.5% of monthly Gross Revenues	Deducted on fifth or tenth day of each month for the prior month	See the detailed notes below. (4)
Technology Licensing Fee (5)	1% of monthly Gross Revenues (2)	Deducted on fifth or tenth day of each month for the prior month	See the detailed notes below. (5)
Additional Training Fee (6)	\$50/hour plus expenses, although currently we do not charge an additional training fee	Payable in the month the fees are incurred	The initial training is provided for in the Initial Franchise Fee. Additional training is provided if you request it or if required by us due to performance problems by you. You are responsible for your travel and lodging costs

Type of Fee	Amount	Due Date	Remarks
Transfer of Franchise Fee (7)	The lesser of \$2,000 or 10% of the sales price or exchanged value; if no transfer fee is charged with an ownership change, then \$250 administrative fee for preparation of documents	At time of transfer	Not charged for transfer without money or value exchanged among current owners, to controlled corporation, limited liability company, or immediate family. New owner is responsible for travel and lodging costs to attend initial training
Charge Back	Varies, depends on outstanding receivables (3)	Deducted on fifth or tenth day of each month for the prior month	Receivables more than 2 months past date of original invoice are debited against your current revenue account
Customer Complaint and Service Fee (8)	\$50 plus currently \$50 per labor hour plus expenses; may increase with prior notice to you	Payable in the month the fees are incurred	Applies only if we respond to a customer complaint. In addition to the Complaint Fee, we charge for Operations Department time spent rectifying any deficient performance and satisfying the unhappy customer
Business Protection Plan (10) (Optional)	Currently 4% of monthly Gross Revenue plus cost of Employee Administration Fee of \$7/month or \$14/month	Deducted on fifth or tenth day of each month for the prior month	This is an optional plan which we may allow you to participate in. This plan provides the minimum insurance requirements as set forth in Item 7
Lease Payments to LEASING (11) (Optional)	Varies, depends on equipment leased, if any	Deducted on fifth or tenth day of each month for the prior month	LEASING determines all terms and conditions for any equipment leased
Liquidated Damages	\$500/day	As incurred	Payable if you terminate or do not renew the Franchise Agreement and you do not surrender to us all property belonging to us, including the keys and contracts
Costs and Attorneys' Fees	Will vary under circumstances	As incurred	Payable if you fail to comply with the Franchise Agreement and we have to enforce it
Indemnification	Will vary under circumstances	As incurred	You are solely responsible for and must indemnify and hold us harmless for all loss, damage, claims or demands arising from your Jani-King franchise

Type of Fee	Amount	Due Date	Remarks
Audit	All costs and expenses, i.e., reasonable accounting and attorney fees	Immediately, when incurred	Payable only if audit shows an understatement of at least 5% of Gross Revenue for any month

NOTES: Except as otherwise indicated in the charts and notes, all fees and expenses described in this Item 6 are non-refundable and we uniformly impose all the fees and expenses listed, as applicable, and they are payable to us. Except as specifically stated in this Item 6, the amounts given may be subject to increases based on changes in market conditions, our cost of providing services and future policy changes. At the present time, we have no plans to increase payments over which we have control.

- (1) Royalty Fee. You are required to pay us a non-refundable monthly royalty fee equal to 10% of your Gross Revenues monthly. This royalty will be paid by the 10th day of each month for the prior month's Gross Revenue and is subject to a minimum royalty payment of \$100 per month for the first 12 months of operation (as measured from the month we satisfy you Initial Business Obligation) and \$500 per month after the first year. The minimum royalty fee is subject to annual adjustment for increases in the Consumer Price Index. The Royalty Fee is not refundable.
- (2) Gross Revenue. Gross Revenue means all revenue invoiced by anyone for any contract services, one time cleans, extra work, and the sales of supplies, equipment or goods and any other revenue related to or derived from the provision of any cleaning and/or maintenance services including, but not limited to, commercial, industrial, and institutional, as well as the sale, leasing or distribution of related supplies and equipment in connection with the conduct and operation of your business or otherwise directly or indirectly, in whole or in part, performed or sold by, or for the benefit of, you, your principals, guarantors, spouse(s), officers, directors, shareholders, managers, members, agents, or employees, regardless of the entity or business name used.
- (3) Accounting and Sales Fee. You are required to pay us 7% of your Gross Revenues monthly as an Accounting and Sales Fee. We have the exclusive right to perform all billing and accounting functions for the services provided by your franchise.

We will invoice each month all the customers serviced by you for the cost of the services you render or supplies you provide. We will receive the monies charged on those customer invoices and pay them to you on a monthly basis, after we deduct all the appropriate fees and charges due to us, our affiliates, and to third parties with special credit arrangements for your benefit.

On the 10th day of each month, we will issue you a report summarizing your franchise's business during the previous month. We call this report the "Franchisee Report." On the 10th day of each month, we will disburse to you the amount of money reported in the "Due Franchisee" column of your Franchisee Report for the preceding month less any monies not collected from accounts served by your franchise for prior months ("Charge Back"). If the 10th day of the month falls on a Saturday, Sunday or recognized holiday, then all amounts due to you will be disbursed before the end of the next business day.

- (4) Insurance Requirements. Before beginning operations of your franchise, you must purchase the insurance

with the policy limits described below or join our Business Protection Plan. The cost of this insurance will vary, depending on factors that include the charges established by the insurer, terms of payment, prior loss history and the geographic location of the franchise operations. You must also secure Employee Dishonesty/"3-D" Comprehensive Crime Insurance covering you and your employees.

- Your insurance must name Focus Franchising, Inc., d/b/a JANI-KING OF MADISON and our officers and directors, as well as JKF and JK Int'l. and their officers, directors, and employees as additional insureds. Such additional insured status must be primary and there must be no requirement for contribution from any insurance coverage of Focus Franchising, Inc., d/b/a JANI- KING OF MADISON and our officers, directors and employees and JKF and JK Int'l and their officers, directors and employees. For purposes of Comprehensive General Liability and Excess or Umbrella Insurance, additional insured status shall apply to both ongoing and products and completed operations coverage.
- All insurance policies must contain a waiver of subrogation favoring Focus Franchising, Inc., d/b/a JANI-KING OF MADISON and our officers and directors.
- All insurance policies must contain a 30 day notice of cancellation or material change to Focus Franchising, Inc., d/b/a JANI-KING OF MADISON, Attn: Jeffrey Weyker, President, 6472 Ronald Reagan Avenue, Madison, WI 53704.
All insurers providing coverage must carry an A.M. Best's Rating of A, 8 or better.

Insurance is required in the following minimum amounts:

INSURANCE REQUIREMENTS

Type	Limits
Comprehensive General Liability	\$2,000,000 (General Aggregate) \$2,000,000 (Products/Completed Operations)
Comprehensive General Liability	\$1,000,000 (per Occurrence)
Business Automobile Liability, including owned, hired and non-owned automobile insurance	\$1,000,000 (per Occurrence)
Excess or Umbrella Insurance	\$10,000,000 (per Occurrence & Aggregate)
Workers Compensation Insurance Employers Liability Insurance	Statutory Limits
Employee Dishonesty/3D Comprehensive Crime	\$50,000 (Employee Theft and Forgery) \$25,000 (Theft of Money and Securities)

These limits may be increased or have new types of coverage added, as circumstances dictate, from time to time by us.

We currently offer you the opportunity to participate in our Business Protection Plan ("BPP"). Participation in the BPP satisfies the majority of the insurance requirements above. Participants in the BPP are provided coverage through group insurance policies. The coverage provided through the BPP's group insurance policies are not individual insurance policies and the policy limits are shared between all BPP participants. You must still procure Business Automobile Liability, including owned, hired and non-owned automobile insurance at the \$1,000,000 limit of liability on your own. Insurance provided by the BPP does not include coverage for you for operation of personal or business use automobiles, or for your equipment, supplies or real or personal property. The BPP provides the coverages outlined

below:

INSURANCE OFFERED THROUGH THE BPP

Type	Limits
Comprehensive General Liability	\$2,000,000 (General Aggregate) \$2,000,000 (Products/Completed Operations)
Comprehensive General Liability	\$1,000,000 (per Occurrence)
Business Automobile Liability, including owned, hired and non-owned automobile insurance	\$1,000,000 (per Occurrence)
Excess or Umbrella Insurance	\$10,000,000 (per Occurrence & Aggregate)
Employee Dishonesty/3D Comprehensive Crime	\$50,000 (Employee Theft and Forgery) \$25,000 (Theft of Money and Securities)

Participation in the BPP is voluntary, and you are not obligated or required to participate.

In addition to the payment of insurance premiums, participation in the BPP includes non-refundable fees paid to us, as payment for the following services: (1) assistance with risk assessment; (2) management of overall claims handling processes; (3) assistance with compliance of workers' compensation laws; (4) assistance with risk control; (5) assistance with Certificates of Insurance; (6) insurance coverage analysis; (7) assistance with premium audits; (8) general risk management services; (9) periodic safety training; and (10) other regulatory compliance assistance.

For these services, you will be required to pay an administration fee which may include a profit to us. We will be solely responsible for administering the BPP.

The fee for the BPP may vary depending on the cost of insurance purchased and the amount of insurance premium deductible you pay for insurance claims, if any. The current BPP fee is 4% of your franchise's Gross Revenue per month. In addition, you will be responsible for payment of the administration fee which is \$7 a month if your monthly Gross Revenue is less than or equal to \$5,000 and \$14 a month if your monthly Gross Revenue is greater than \$5,001. If you choose to participate in the BPP, we will deduct the BPP fee and the applicable administrative fee each month from your franchise's Gross Revenue. We reserve the right to discontinue offering the BPP to you upon reasonable notice.

If you choose not to participate in the BPP, you must provide us with a certificate of insurance showing that you have obtained the equivalent amount of insurance coverage with limits as shown above or as established in the Jani-King Policies and Procedures Manual. You must purchase this insurance and supply proof of insurance to us before you will be authorized to begin operations of your franchise. You are also required to keep accurate payroll records. In the event you do not purchase this insurance, we reserve the right to purchase the insurance for you and charge you for the cost of the insurance.

- (5) Equipment Lease through Us. The Additional Electric Equipment required may also be leased from us. If the equipment is leased from us the total approximate cost, depending on which equipment package is chosen, ranges from approximately \$2,700 to \$8,650 based on the rates in use as of August 1, 2024. Total lease payments include a down payment with an approximate range from approximately \$350 to \$1,100 and 12 monthly payments with an approximate range from approximately \$175 to \$550 depending on which equipment package is chosen. At the end of the lease period, you may purchase the equipment for a final purchase payment ranging from \$350 to \$1,100. The terms and conditions of a purchase or lease of any electrical equipment offered by us are determined solely by us, and they may be modified or changed without our consent. Longer lease terms may be available.

- (6) Operations Assistance or Complaint Fee/Service Fee. In order to promote full compliance with all Jani-King System Standards, we will charge you a \$50 Complaint Fee if you do not comply with the time frames allotted for initial response or corrective action to a customer complaint or other performance deficiency, and our staff must respond to the customer. "Serviced" or "respond to" the complaint in this case means communicating with the customer to determine the nature of the complaint and what needs to be done to resolve the situation, and to provide the customer relations necessary to try to protect the account. It does not mean providing commercial cleaning services to the customer to solve the problem. An additional "Service Fee" will be assessed, plus expenses (i.e., labor, materials, supplies, equipment, etc.), for our personnel's time spent on cleaning or maintenance services required to rectify the complaint or satisfy the unhappy customer.

The procedure for charging the Complaint Fee and the Service Fee, plus expenses is as follows:

If at any time, whether through a complaint or inspection, we discover a deficiency in performance at an account you clean, we have 4 hours to make contact with you (attempting to contact you a minimum of once each hour) and report the complaint to you.

The Complaint Fee and the Service Fee, plus expenses, may be charged under either of the following conditions: (a) we cannot locate you during the 4 hour contact period and our Operations Department must respond to the complaint; or (b) we notify you of the complaint, and 2 hours after the opening of the customer's business the next morning, you have not corrected the deficiency in performance to the satisfaction of the customer and us, requiring our Operations Department to respond to the complaint.

Although you will be responsible for inspecting your accounts on a monthly basis, one of our representative may also inspect your accounts occasionally in order to ensure that the service of all accounts is being performed according to the cleaning schedule and to the Jani-King System Standards. If we discover a deficiency in performance, whether through complaint or inspection, we may send our own staff to the account and correct all deficiencies in performance. We have sole discretion to determine the urgency and the time frame of when to send our staff to an account.

You must cooperate fully with our staff, and pay a reasonable hourly rate ("Service Fee"), plus expenses and travel time, on each occasion we dispatch our staff to an account in order to correct a deficiency in performance. The current rate for the Service Fee is \$25 per labor hour, but we reserve the right to increase or decrease this rate upon prior notice to you.

If the deficiency in performance requires immediate action to meet the customer's demand for a visit or performance of services at their premises in less than four hours, and we are not able to contact you or you are not available for an immediate visit or to perform services, you will be assessed the Service Fee, plus expenses, for the operations representative's time and effort to satisfy the needs of the customer.

We will charge the Complaint Fee and Service Fee even if the account is transferred to save it. If the account cancels for non-performance, the Service Fee, plus expenses may also be charged. The fees will be payable in the month they are incurred.

- (7) Advertising Fees. You are required to pay us 1.5% of your monthly Gross Revenues as an advertising fee, but may increase this amount to up to 2.5% of your monthly Gross Revenues. This advertising fee is in addition to any monthly royalty fee charged. We have the right to allocate parts of the Fee for certain of our administrative expenses for marketing activities. (See Item 11).
- (8) Technology Licensing Fee. We do currently charge a technology licensing fee of 1.0% of your monthly Gross Revenues for hardware, proprietary or third-party software, and other equipment utilized in the Jani-King system. This Technology Licensing Fee will be in addition to any monthly royalty fee charged. We also reserve the right to increase the technology licensing fee up to a maximum of 5% of your monthly Gross Revenues.
- (9) Additional Training Fee. We will provide a mandatory local, initial training program for no additional fee, which includes classroom instruction and hands-on demonstration of cleaning methods, the Jani-King operating systems and programs using established procedures and forms. We will also offer additional training classes

and assistance to you by our staff and other industry experts. In most cases, the additional training is not mandatory; however, you must participate in additional training if you fail to maintain Jani-King performance standards or production rates and we notify you of the required training. At the present time, we do not charge for any additional training. However, the current rate for additional training or other assistance is \$50 per hour, plus expenses. We reserve the right to charge this fee and to adjust the rates in the future.

- (10) **Transfer Fee.** You may be required to pay a transfer fee in the amount of \$2,000 or 10% of the sales price or exchanged value, whichever is greater, if you sell, assign, transfer, convey or encumber ("Transfer") your franchise. The addition of any party to the franchise and the later deletion of an original party to the franchise will be treated as a constructive transfer, and the Transfer Fee will apply. The Transfer Fee is non-refundable and must be paid on the date of transfer. If you do not receive any monetary compensation or other exchange of value, no Transfer Fee will be charged for a transfer to: (1) any party currently holding an interest in the franchise at the time of the transfer, subject to the above restrictions; (2) a corporation or limited liability company in which the current owners of the franchise retain 90% or greater of the outstanding shares of stock or membership interests; or (3) if the transfer is to one of the immediate members of your family (for the purposes of this section, family members include Franchisee's spouse, mother, father, brother, sister, and children only), whether it is a transfer during your lifetime or upon your death. An administrative fee will be charged to cover necessary and reasonable costs and preparation of the documents associated with the transfer if no Transfer Fee is assessed. The current administrative fee is \$250, but we may increase this fee in the future.
- (11) **Replacement of Manual.** A \$50 fee will be charged for each replacement manual loaned to you.
- (12) Except as otherwise indicated in the chart above, all fees and expenses described in this Item 6 are non-refundable and we impose all the fees and expenses listed, and they are payable to us. Except as specifically stated above, the amounts given may be subject to increases based on changes in market conditions, our cost of providing services and future policy changes.

ITEM 7 ESTIMATED INITIAL INVESTMENT YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee (Note 1)	\$5,000 to \$195,500	Immediate Negotiable Funds	On signing Agreement	Us
Real Estate (Note 2)	\$ -0- to \$5,000	(Note 2)	(Note 2)	(Note 2)
Supplies (Note 3)	\$1,800 to \$2,300	Lump Sum/Installment	Before Opening	Vendors, Us
Equipment (Note 4)	\$2,700 to \$9,750	Lump Sum/Installment	Before Opening	Vendors, Us

Security deposits, license registrations, etc. (Note 5)	\$100 to \$1,000	Lump Sum	Before Opening	Vendors, Suppliers, Utilities, State and Local Agencies
Business Entity Establishment Fees (Note 6)	\$100 to \$1,000	Lump Sum	Before Opening	State and Local Municipalities and Filing Agents
Additional Funds (120 days) (Note 7)	\$800 to \$8,500	As Incurred	As Incurred	Us, Vendors, Employees
TOTAL	\$10,500 to *\$223,050 (Notes 8 and 9)			

*Upper range is open-ended under Plan E. See Item 5.

Notes:

- (1) See Item 5 for the Initial Franchise Fee charged for each available Plan.
- (2) There is no requirement that you purchase or lease any real estate. Some Jani-King Franchisees have offices in their homes and conduct business from there, or they use the office facilities and support services we offer. If you open an office, you must maintain it and all fixtures, furnishings, signs and equipment in good order and condition, and in conformity with the JANI-KING system image as we may establish. The size of the office space obtained would be solely dependent on the size of your business operation. The total cost for deposits, build-out and monthly rent will depend on factors such as the size, condition, and location of the leased premises.
- (3) The Initial Franchise Fee under each of the Plans includes the cost of an Office Supply and Advertising Package. You must obtain those items listed in the Supply and Equipment Package listed in Exhibit III before you will be eligible to service any accounts. This Supply and Equipment Package may be purchased from or through us (subject to shipping restrictions), or from any other source that sells commercial grade cleaning products and equipment.
- (4) You must purchase, lease, or provide proof of ownership of a commercial vacuum cleaner, a commercial floor polisher, a commercial wet/dry vacuum. Also, depending on which of the equipment packages listed in the Additional Electric Equipment in Exhibit III you chose to obtain, you may also be required to obtain either a Compact Portable Vacuum Cleaner (Canister Type) W/Shoulder Strap and Cloth Bag or a backpack vacuum cleaner including tool package. The Additional Electric Equipment required may also be leased from us. If the equipment is leased from us the total approximate cost, depending on which equipment package is chosen, ranges from approximately \$2,700 to \$8,650 based on the rates in use as of August 1, 2024. Total lease payments include a down payment with an approximate range from \$350 to \$1,100 and 12 monthly payments with an approximate range from \$175 to \$550 depending on which equipment package is chosen. The terms and conditions of a purchase or lease of any electrical equipment offered by us are determined solely by us, and they may be modified or changed without our consent. Longer lease terms may be available. All of the Additional Electric Equipment may be leased or purchased from us.

We require that you have a smart phone capable of sending and receiving emails, such as an Android device or iPhone. Any brand of smart phone is acceptable. The cost of a smart phone varies widely. You can use your existing smart phone, so long as it can send and receive emails.
- (5) You must obtain all proper business licenses, tax registrations, and permits from various state and local agencies before engaging in business. These filing and application fees may range up to \$500 each. If you operate out of your home or lease any office space, costs for a business telephone and office equipment could range from \$100 to \$1,000. A security deposit may also be required by your landlord for the lease of real property. Also, utility companies may require deposits. Security deposits and utility deposits are normally

refundable. You must also maintain a business checking account. Your bank may require a minimum deposit and a minimum balance in your account.

- (6) You must purchase and operate your franchise through a business entity that must be registered with the state in which you operate. Your franchise may be purchased through an existing corporation or limited liability company, or you can form a new entity for that purpose. Filing fees and other costs vary greatly based on the type of business entity formed and the jurisdiction in which it is formed. You must also provide us with proof of these registrations before we will be obligated to offer you the right to provide business to accounts.
- (7) This item covers your other initial start-up for expenses, including all other fees you pay to us, payroll, insurance premiums and miscellaneous costs and expenses, such as legal and accounting expenses, for the initial phase of the business. The cost of adequate insurance coverage may vary between \$600 and \$6,000 during the initial phase. The initial phase is considered to be 180 days from when the Initial Offering Period begins.
- (8) These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the business. Your costs will depend on factors such as: how much you follow our methods and procedures; your management skill; experience and business capability; local economic conditions; the local market for our services; the prevailing wage rate; competition; and the sales level reached during the initial phase. All payments are nonrefundable when paid unless otherwise stated.
- (9) We relied on our experience in the commercial cleaning business to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must purchase certain professional products and equipment listed on Exhibit III as the "SUPPLY AND EQUIPMENT PACKAGE" and the "ADDITIONAL ELECTRIC EQUIPMENT," under specifications in the Franchise Agreement and operating manuals. These specifications are established to provide standards for performance, durability, design and appearance. We will notify you of the establishment or revision of standards, specifications, or the designation of approved suppliers through the Operations Manual, Policies and Procedures Manual, and policy memorandums. We and certain of our affiliates are approved suppliers of the required products and equipment but we are not the only approved suppliers. We reserve the right, upon thirty days' notice to you, to require you to purchase all cleaning equipment and supplies for the operation of your franchise from one of our affiliates or from an approved vendor.

Only suppliers of commercial grade cleaning supplies and equipment will be approved. Our criteria for supplier approval are based on quality controls, the capacity to supply your needs promptly, reliability, price management, and product knowledge and support. Notice of approval or rejection of a proposed supplier will generally be given within 15 days of receiving all information requested in order to make a decision on the qualification of the supplier. If a supplier fails to maintain the criteria required for designated status, we will notify you prior to the reporting period in which the designation will be revoked. Suppliers must be preapproved by the Regional Director or Operations Manager prior to utilizing supplies or equipment purchased from suppliers. However, we reserve the right, upon thirty days' notice to you, to require you to purchase all cleaning equipment and supplies for the operation of your franchise from one of our affiliates or from an approved vendor.

You may purchase supplies and equipment from any supplier if the supplies and equipment are commercial grade and in good working condition. Thus, there is no specific procedure or time requirement relating to our approval of an alternate product or supplier. We do not charge a fee for evaluating alternate products or suppliers that you may propose. However, we reserve the right to revoke our approval of any suppliers. If we revoke our approval of a supplier, we will do so in writing,

setting forth our reasons for revoking approval. Our criteria for approving or revoking approval of alternative products and suppliers will be made available to you on request.

We negotiate purchase arrangements, including price terms and a limited, guaranteed credit line, with designated and approved suppliers on behalf of the franchisees in our region. We also provide an automated payment service for your supply and equipment purchases from these designated suppliers.

We receive rebates ranging from 5% to 10% of the amount of purchases of equipment and supplies sold to our franchisees by unaffiliated approved suppliers. We also receive discounts ranging from 5% to 10% on purchases from these suppliers which may not be available to you. We also receive a rebate from \$100-\$800 for each vehicle purchased through our National Vehicle Program.

You must obtain our approval before you use any advertising and promotional materials, signs, forms, or stationery, unless we have prepared or approved them during the 12 months before their proposed use. You may purchase advertising and promotional materials, brochures, fliers, forms, business cards, and letterhead from us.

If you choose to operate from a separate business office, we have the right of prior approval of office location, layout, and decor. You must maintain your office and all fixtures, furnishings, signs, and equipment in good order and condition, and in conformity with the JANI- KING system image, as we may establish.

During our last fiscal year ending December 31, 2023, we had revenues of \$8,949,867.00 (on a consolidated basis with both Jani-King of Madison and Green Bay). Approximately 9.5% (\$850,23700) of this amount consisted of revenues from the sale or lease of equipment and supplies, receipts from the Business Protection Plan, rebates from designated suppliers, and the sale of promotional and advertising materials. Also, we have the exclusive right to perform all billing and accounting functions for the services provided and sales of products by your franchise.

We estimate that the purchase and lease of all goods and services you must make in accordance with our specifications, or that you purchase or lease from us, our affiliates, or from unaffiliated suppliers from whom we receive rebates, represents approximately 85% to 95% of your total purchases in connection with the establishment of your franchise business, and approximately 85% to 95% of your overall purchases in connection with the operation of the business.

ITEM 9 FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Agreement	Disclosure Document Item
(a) Site selection and acquisition/lease	Section 4.12.1	Items 7 and 8
(b) Pre-opening purchase/leases	Section 4.4	Items 5, 6, 7, 8, 10, 11 and 16
(c) Site development and other pre-opening requirements	Not Applicable	Items 5, 6, 7, 11
(d) Initial and ongoing training	Sections 4.2.3, 6.1.1, 6.3, 6.4, 6.6	Item 11

Obligation	Section in Agreement	Disclosure Document Item
(e) Opening	Section 6.1.1	Item 11
(f) Fees	Sections 4.3, 4.3.2, 4.3.3, 4.5.1, 4.5.2, 4.6, 4.7, 4.8, 4.8.1, 4.13.5, 4.13.6, 4.14, 4.19.3, 4.19.4, 4.19.5, 4.19.6, 4.19.9, 4.28, 6.6, 10.3	Items 5, 6 and 7
(g) Compliance with standards and policies/operating manual	Sections 4.1.1, 4.1.4, 4.1.5, 4.2.2, 4.6, 4.11, 4.12, 4.12.1, 4.13.4, 4.19.1 through 4.19.9, 4.21.1, 4.21.2, 4.22, 4.23, 4.27, 6.6, 8.1(b), 8.1(f), 8.3(c)	Item 11
(h) Trademarks and proprietary information	Sections 4.1 through 4.1.6, 4.12.1, 4.22, 4.23, 4.24, 4.27, 5.1, 5.2.1, 5.2.3(b), 5.5, 5.7, 5.8, 6.7, 8.1(b), 8.3(e)	Items 13 and 14
(i) Restrictions on products/services offered	Sections 4.21.1, 4.22, 4.23	Items 8, 12 and 16
(j) Warranty and customer service requirements	Sections 4.18 through 4.19.9, 4.21.1	Item 11
(k) Territorial development and sales quotas	Not Applicable	Item 12
(l) On-going product/service purchases	Not Applicable	Item 8
(m) Maintenance, appearance and remodeling requirements	Section 4.12.1	Items 11 and 17
(n) Insurance	Section 4.13.1, 4.13.2, 4.13.3, 4.13.4, 4.13.5, 4.13.6	Items 6, 7 and 8
(o) Advertising	Sections 4.1.1, 4.1.5, 4.1.6, 4.5.2, 6.2	Items 6, 7 and 11
(p) Indemnification	Sections 4.11, 4.13.1, 4.13.3, 4.14	Item 6
(q) Owner's participation/management/staffing	Section 4.2.1, 4.2.3, 4.26	Items 11 and 15

Obligation	Section in Agreement	Disclosure Document Item
(r) Records and reports	Sections 4.8.1, 4.10.1, 4.10.2, 4.10.3, 4.20	Item 11
(s) Inspections and audits	Sections 4.10.1, 4.10.2, 4.10.3, 4.19.2, 4.20	Items 6 and 11
(t) Transfer	Section 10	Items 6 and 17
(u) Renewal	Section 9	Items 6 and 17
(v) Post-termination obligations	Sections 4.27, 4.29, 5	Item 6 and Item 17
(w) Non-competition covenants	Section 5	Item 17
(x) Dispute resolution	Section 12.9	Item 17
(y) Other (Personal Guaranty)	Section 12.14	Item 15
(z) Other (Liquidated Damages)	Section 4.28	Items 6 and 17

ITEM 10 FINANCING

Initial Franchise Fee

We are not obligated to offer financing for the Initial Franchise Fee but may offer financing in the future. (See Item 5 for purchasing options).

Equipment Lease

We provide lease arrangements for most of the equipment you will use in your franchise. We may modify the terms and conditions of any leasing arrangement as we consider appropriate. Lease arrangements may vary depending on a particular piece of equipment leased. Our standard Equipment Lease Agreement is included in this Disclosure Document as Exhibit IV. The period of repayment will depend upon the equipment leased but is usually from 12 to 24 months. The security interest required is a personal guaranty, the equipment leased, and any insurance proceeds which may be due to you upon destruction or theft of the equipment. There is no penalty for prepayment of the remaining amount due under the Equipment Lease Agreement. Your potential liabilities upon default include our costs for correcting the default, termination of the lease, our repossession of the equipment, the application of your security deposit toward any amounts owed, legal costs, and any other remedy allowed by law, including the cancellation of your franchise agreement. As a corporation, or other limited liability entity, the lease must be guaranteed individually by all owners, members, manager, officers and directors. If you are married and your spouse is not a partner in the franchise business, your spouse must personally guarantee the lease. Once you make the final lease payment, the equipment is yours.

Our Guarantee of Your Supply and Equipment Purchases.

We negotiate purchase arrangements with designated and approved suppliers on behalf of the franchisees in our region. For these designated suppliers, we guarantee on your behalf up to \$300 on account for ongoing supply purchases. We also provide an automated payment service for your supply and equipment purchases from these designated suppliers. There is no charge to you for this guarantee, but we receive a rebate from the designated suppliers that ranges from 5% to 10% of the amounts you purchase.

We reserve the right to assign or transfer any promissory notes or leases. Except as disclosed in the information above about our arrangements with designated suppliers, we do not receive direct or indirect payments for the placement of financing. Except as disclosed in the information above about the limited guaranty we provide to designated suppliers and to our affiliate, LEASING, we do not guarantee your obligations to third parties.

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 begin operating your business, we will:

1. Grant you the right to operate a JANI-KING franchise and a license to use the JANI-KING marks in a non-exclusive, specific geographical territory. (Franchise Agreement: 3.2, 6.7).
2. Provide you with the Office Supply and Advertising Package listed in Exhibit E. (Franchise Agreement: 6.2).
3. Provide you access to our confidential manuals and training aids. (Franchise Agreement: 6.3).
4. Within 90 days of when you sign the Franchise Agreement, provide an initial training program to include the cleaning processes, methods, materials, equipment, forms, and promotional plans developed by JANI-KING. This training is described in detail later in this Item. (Franchise Agreement: 6.4).
5. Certify you as an authorized JANI-KING franchisee after you complete the training, provide proof that your business entity is in existence and in good standing in the state you will operate the franchise, provide proof of registration with all applicable taxing authorities (including federal, state and local tax authorities), provide proof of a business checking account, acquire the necessary equipment and supplies, and provide proof of required insurance. (Franchise Agreement: 6.1).
6. Provide you the lists of approved products. We also provide some of these items directly to you.

7. Approve or disapprove your site if you choose to operate from an office outside your home and the facilities we provide for you. We will make sure the appearance complies with the JANI-KING standards, but we do not help in site selection or negotiating the purchase or lease of the site. (Franchise Agreement: 4.12.1). **The factors which we consider when approving non-residence locations include general location and neighborhood, whether any other businesses operate out of the same premises, and whether the location will result in damage to our image and reputation.** We recommend that you not lease or purchase an office location to open your franchise business. Most JANI-KING Franchisees are able to conduct their business from their homes.

8. Upon the commencement of the Initial Offering Period, we will begin offering you the right to provide service under commercial cleaning and/or maintenance contracts, as they become available, that in total would provide a minimum in gross monthly billings in an amount defined as the "INITIAL BUSINESS" in the Franchise Summary of the Franchise Agreement. All contracts will be the property of Jani-King. The Initial Business is the total of the monthly billing rates for all the cleaning contracts offered to you to service as Initial Business and will correspond to the specific level of plan that you purchase (i.e., if you purchase the E-25 Plan, we will offer you Initial Business totaling \$25,000 during the Initial Offering Period) (Franchise Agreement: 4.3.1, 6.1.1). All customer accounts equivalent to the total dollar amount of the Initial Business purchased will be offered during the Initial Offering Period. See "Details Regarding Initial Business" at the conclusion of this Item 11 for complete details.

9. Offer you the option to participate in the contributory Business Protection Plan, which includes your minimum insurance required for the franchise. (Franchise Agreement: 4.12.4).

Typical Length of Time Before You Open Your Franchise.

We consider your business to **"open"** upon the commencement of the Initial Offering Period. The Initial Offering Period will commence upon the completion of the following six pre-requisites: (i) we grant **you a franchise**; (ii) you provide us with **proof that your business entity is in existence and in good standing**; (iii) you provide us with **proof of registration with all applicable tax authorities**; (iv) you **successfully** complete the initial training program; (v) you acquire all **necessary equipment and supplies**; and, (vi) you provide us with **proof of all required insurance policies**. **The typical length of time between the signing of the Franchise Agreement or the first payment of any consideration for the franchise, and the opening of the business is 30 days; however, the length of time may range from 10 days to six months or more, depending on when the above six pre-requisites are completed. The exact time when your business will commence depends on the specific situation of each individual franchise.**

Continuing Obligations.

After you open your business we will:

1. Offer you the right to provide service under commercial cleaning and/or maintenance contracts that in total would provide a minimum in gross monthly billings in an amount defined as the "INITIAL BUSINESS" in the Franchise Summary of the Franchise Agreement.
2. All contracts will be the property of Jani-King. See "Details Regarding Initial Business" at the conclusion of this Item 11 for complete details. (Franchise Agreement: 4.3.1, 6.1.1).
3. Handle all billing and accounting functions for the services and supplies you provide to your customers. We will disburse to you on the fifth or tenth day of each month, all monies due you as reported on the Franchisee Report after we deduct all the appropriate fees, charges, and any other amounts due to us, our affiliates, and to third parties with special credit

arrangements for your benefit. (Franchise Agreement: 4.8.1). Other than monthly invoicing, we are not required to engage attorneys, commence litigation, or perform any other acts in order to secure payment from businesses you service.

4. Provide you with marketing and technical assistance, and consultation and advice on operating procedures. We will continue to provide appropriate assistance and guidance until you have been offered the right to service business with the gross monthly billing as required by the plan purchased. This guidance will, at our discretion, be furnished in our operating manuals, bulletins or other written materials and/or during telephone consultations, electronic mail, training programs, meetings, conferences and/or personal consultations at our office or at a mutually convenient place. (Franchise Agreement: 6.5).
5. Provide you additional training and support at reasonable rates we establish by policies and procedures, currently at a rate of \$50 per hour, plus expenses. (Franchise Agreement: 6.6).
6. Provide you access to one copy of the Manuals, consisting of such materials (which may include audio tapes, videotapes, magnetic media, computer software and written materials) that we generally furnish to franchisees for use in operating JANI-KING Businesses. The Manuals contain mandatory and suggested specifications, standards, operating procedures and rules ("System Standards") that we prescribe from time to time. The Manuals may be modified periodically to reflect changes in System Standards. (Franchise Agreement: 4.26, 6.3).
7. Make available to you, at a reasonable cost, promotional material, sales and service manuals, and other materials as they are developed that are relevant to the operation of your franchise. (Franchise Agreement: 6.8).
8. We may from time to time perform periodic quality control visits to locations under your care. During these visits we will inspect and evaluate the quality of the cleaning services you are providing for the customer. We will make recommendations on how to correct deficiencies, improve techniques, and enhance the efficiency of those services. We will have an operations representative available to answer routine questions or to assist you with problems during normal business hours. (Franchise Agreement: 4.19.3).
9. Provide consultation and service at your customer locations or at our office for a charge to be established by policies and procedures at a rate not to exceed \$50 per hour, plus reasonable expenses. This rate is subject to review and may be changed at our sole discretion. (Franchise Agreement: 4.19.4).
10. Issue, modify, and supplement system standards for your franchise. We may periodically modify system standards and procedures, which may accommodate regional or local variations as we determine, and these modifications may require you to invest additional capital in your franchise business and/or incur higher operating costs. However, these modifications will not alter your fundamental status and rights under the Franchise Agreement. (Franchise Agreement: 4.27).
11. Establish, amend, or revise company policies and/or procedures pertaining to the operation of your franchised business and distribute them through the Policies and Procedures Manual, policy directives, or memos. (Franchise Agreement: 4.27).
12. We may offer you the right to provide service to additional or new business upon your request and proven ability to expand your level of productivity. All additional or new business we offer you to service is contingent upon you paying us a Finder's Fee based on the monthly billing amount of the account. (Franchise Agreement: 4.6).
13. Throughout the term of the Franchise Agreement, we will offer you sales, marketing and technical assistance, and consultation and advice on operating procedures. (Franchise Agreement: 6.3).

Details Regarding Initial Business.

You will have the right to purchase a Plan of your choosing. The Plan you choose will determine what Initial Franchise Fee you must pay and what amount of Initial Business (e.g. cumulative gross monthly billings we are required to offer you from all accounts) we must offer you by the time your Initial Offering Period ends, as follows:

Plan	Initial Business (\$)	Initial Offering Period (Days)
D	10,000	300
C	7,500	240
B	5,000	210
A	2,500	180

Note 1-1. Time to Offer the Initial Business.

We are required to offer you the Initial Business under your Plan by the end of the Initial Offering Period. “Initial Offering Period” is the period beginning after you have (a) obtained all required equipment and supplies, (b) successfully completed the initial training program to our satisfaction, (c) provided proof of required insurance, (d) provided **proof that your business entity is in existence and in good standing**, (e) delivered IRS Form W-9, (f) provided **proof of registration with all applicable taxing authorities** (including federal, state and local taxing authorities) and (g) delivered proof of a valid and active business checking account and ending the number of days thereafter that your Plan designates. We will make a good faith effort to offer you as much or all of the Initial Business as soon as possible, but we will have until the end of the Initial Offering Period in which to do so. We are not obligated to offer any portion of the Initial Business before the end of that time.

Note 1-2. We may automatically extend the actual time to secure and offer the Initial Business to you, at our sole discretion, under the following conditions:

- (1) If you make a written request for a delay in the offering of all or part of the Initial Business, and we agree to the postponement. Before we resume offering any other business to you, you must provide us notification, in writing, as to when you are ready to accept other business. We may require you to provide documentation that you are performing services satisfactorily at your existing accounts.
- (2) If you are in default under the terms of the Franchise Agreement or any other agreement between you and us.
- (3) If you fail to comply with any policies or procedures within 7 days after we notify you of non-compliance.

- (4) If any of the Initial Business previously provided to you requests a transfer to another franchisee or requests to be canceled due to non-performance.

Note 1-3. If the Initial Offering Period is extended based on a transfer or cancellation of an account, we will not offer any other accounts toward fulfillment of the Initial Business, nor will we offer any “additional business” until you successfully complete the additional training as required by our Regional Office.

Note 1-4. If the Initial Offering Period is extended, the time allowed for us to offer the balance of the Initial Business to you will be the remaining portion of the Initial Offering Period or a minimum of 150 days, whichever is longer, from the date you:

- (1) notify us you are ready for other business (and provide any required documentation),
- (2) cure any default of the Franchise Agreement or violation of policies and procedures, or
- (3) complete the required additional training.

Note 1-5. All accounts offered will apply toward the Initial Business as specified in the Franchise Agreement, whether you accept or decline the offered business. Our obligation is to secure and offer to you the right to provide service to those accounts within the specified time. However, you might choose not to accept some of the accounts offered. That is why the Franchise Agreement says that we will secure and “offer” you the right to provide service to those accounts. We can only make a good faith effort to offer the amount of Initial Business for the Plan specified, and you must choose to accept or decline the offer. We do not guaranty that the Initial Business will reach or remain at the stated level of the plan you purchase throughout the term of the Franchise Agreement. We have no obligation to offer you the right to provide service to any additional accounts after we have offered you the right to provide service to the Initial Business.

We intend for the accounts offered under the Initial Business to continue for at least one year. However, an account might not continue in business beyond the Initial Offering Period at no fault of yours. Under this circumstance, we have met our obligation to “offer” the business within the required time.

Under either of the situations where you decline an offer to service an account or an account cancels at no fault of yours, we are relieved of our time obligation regarding the Initial Offering Period for that amount of gross monthly billings, however, we will provide you finder’s fee credit equal to the difference between your Initial Business Obligation and the total amount of gross monthly billings of the accounts that you accepted and serviced for a full 12 months. Those accounts which are transferred or canceled due to your failure to perform according to JANI-KING standards will not be replaced. The procedures that apply to accounts offered as part of the Initial Business which are transferred or cancelled are described in more detail in Note 1-7 below.

Note 1-6. Partial Refund if Initial Business not offered within Initial Offering Period.

If we are unable to secure and offer you the full amount of Initial Business within the time frame allocated for the Initial Offering Period, an amount equal to three times the amount of Initial Business not offered to you may be refunded, less any amount you owe us or our affiliates. Any refund will be first applied to any outstanding balance or other obligation you owe us or LEASING, with the remaining sum, if any, paid to you. A refund under this provision will fulfill our obligation to offer any remaining portion of the Initial Business.

Note 1-7. Transfers or Cancellation of Initial Business.

The following procedures apply if any account you are servicing as part of the Initial Business requests a transfer to another franchisee or cancels the cleaning contract:

(1) If an account cancels or is transferred to a new franchisee due to non-performance, theft, your failure to service the account properly, customer relations problems caused by you, or your failure to comply with the Policies and Procedures, we will not replace the account.

(2) If an account cancels at no fault of yours before you service the account for 12 full months, the full gross monthly billing value of that account will be replaced within a reasonable period of time by another account, at no additional cost to you. This provision applies until you have serviced that replacement account for the remainder of the initial 12-month period. If any replacement account has a greater value than the original account, the excess will be applied to the obligation of other Initial Business, or if the Initial Business has been fulfilled, Finder's Fees will be charged.

EXAMPLE: An account with a monthly gross billing of \$1,000 per month cancels after seven months through no fault of yours. We will replace the account with one or more accounts having cumulative gross monthly billing of at least \$1,000 per month. If any of the replacement accounts also happen to cancel at no fault of yours at any time during the next five months you service the account(s), we will replace the replacement account(s) with other account(s). If the cumulative gross monthly billings of the replacement accounts exceed \$1,000, the monthly billing in excess of \$1,000 would apply against other Initial Business Obligation, or Finder's Fees would be charged.

No other obligations exist for us to replace the contracts if the contracts are canceled before the full term.

Advertising.

We charge an Advertising Fee of 1.5% of your monthly Gross Revenue for the purpose of establishing and operating an advertising fund on a regional or national basis. (Franchise Agreement: 4.5.2). This Advertising Fee is charged to all our franchisees, although the rate may vary based on each franchisee's Franchise Agreement. We also reserve the right to increase the Advertising Fee up to a maximum of 2% of your monthly Gross Revenues. Company-owned JANI-KING businesses do not pay Advertising Fees. We are not obligated to conduct advertising for the Jani-King system.

The Advertising Fee will be used by us or our designee as follows:

1. We will direct all advertising programs and will have sole discretion to approve or disapprove the creative concepts, materials and media used in the programs. The Advertising Fee is intended to be used to maximize general public recognition and acceptance of the registered trademarks and enhance the collective success of all franchises operating under the Jani-King system. None of the Advertising Fee is specifically or principally used for advertising that is principally a solicitation for the sale of franchises. In using the Advertising Fee, we and our designees are not required to make expenditures for you which are equivalent or proportionate to your payment or to ensure that any particular franchisee benefits directly or pro rata from the placement of advertising. We or our designees are also not required to advertise in the area where you are located.

2. The Advertising Fee may be used to satisfy any and all costs of maintaining, administering, directing and preparing advertising (including, without limitation, the cost of preparing and conducting television, radio, internet, , website, magazine, and newspaper advertising campaigns; sponsorships; direct mail and outdoor billboard advertising; vehicle decaling; public relations activities; employing advertising agencies to assist therein; travel and associated expenses of personnel dispatched to assist in account start-ups and account bidding; and costs of our personnel and other departmental costs for advertising that is internally administered or prepared by us). Sums paid by you relating to the Advertising Fee will also be used to defray any

of our administrative costs incurred in activities reasonably related to advertising programs. This Advertising Fee is a payment to us for advertising and related costs and we do not have any duty to you related to the use of the Advertising Fee.

3. The Advertising Fee may also be used in our National Vehicle Program which is a voluntary program through which you can purchase a select number of vehicles from a national vehicle manufacturer. If you participate in the National Vehicle Program, you are required to have a decal installed on the vehicle you purchase. The cost and installation of the vehicle decal will be paid out of the Advertising Fee.

We currently advertise or may advertise Jani-King services in various forms of media including radio, magazine, newspaper, internet, and sponsorships; and direct mail and outdoor billboard advertising. Our print advertising may also include general business magazines, direct mail, vehicle signage, and yellow page directory listings. Our advertising also includes telemarketing, video and audio tapes, and various point-of-sale items. Most of our advertising is developed by members of our staff and outside advertising agencies. We use national, regional and local advertising agencies to assist us in the development and placement of advertising on an as needed basis. =

For the fiscal year ending December 31, 2023 we collected a total of \$134,248.00 in Advertising Fees from franchisees. We contributed \$89,498.67 to JK Int'l for the National Advertising Program, all of which came from franchisee contributions. Of the remaining sum received from franchisee contributions on local advertising (not including any expenditure for advertising for franchise sales), we spent \$44,750.00 on local advertising and sponsorships, leaving an ending balance of \$0.00.

You must obtain our approval before you use any advertising and promotional materials, signs, forms, and stationery by submitting such proposed advertising to us at least 30 days prior to publication. We have the right to require you to include certain statements in, make changes to, and/or sign such documentation as we deem necessary with respect to, your proposed advertising prior to approval. You may not develop, create, distribute, contribute to, disseminate or use any digital or Internet communication including websites, blogs, instant message services, social media sites such as Facebook, Twitter, and Instagram, and all other digital communication methods or any multimedia, telecommunication, mass electronic mail, or audio/visual advertising, promotional or marketing materials ("Digital Advertising"), directly or indirectly related to the franchised business, us, the System, or Marks, without our prior written consent, which consent may be withheld in our sole determination. If we grant our approval of your Digital Advertising, it will be subject to the same requirements as set forth above. You may purchase advertising and promotional materials, brochures, fliers, forms, business cards, and letterhead from us.

We do not perform an audit relating to the Advertising Fee and there are no financial statements relating to the Advertising Fee that are available for your review. There is no set procedure for making financial statements of the Advertising Fee available for our franchisees' review. Instead, requests will be considered on a case-by-case basis.

There is no advertising council comprised of franchisees that advises the franchisor on advertising policies. You are not required to participate in a local or regional advertising cooperative.

Computer Systems.

You are required to have a valid, operational email address. We do not require use of a computer system or an electronic cash register.

Manuals.

The Tables of Contents of our four operating manuals are included in Exhibit F.

Training.

You and all of your owners, directors or officers who will actively participate in the operations of the franchised business must attend and complete, to our satisfaction, our initial training program within six months after the signing of the Franchise Agreement. The initial training program provides information relating to JANI-KING methods and practices for professional cleaning services, management, sales and promotional techniques, production procedures and rates and marketing. The following is a further description of the initial training program:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Policies & Procedures	3.0	0.0	MADISON, Wisconsin
Restrooms	1.25	0.5	MADISON, Wisconsin
Offices	1.25	1.0	MADISON, Wisconsin
Hard Surface Floor Care	5.5	5.0	MADISON, Wisconsin
Carpet Care	1.5	1.0	MADISON, Wisconsin
Supplies & Equipment	2.0	0.5	MADISON, Wisconsin
Sales & Marketing	2.0	0.0	MADISON, Wisconsin
Communications	2.0	0.0	MADISON, Wisconsin
Personnel	2.0	0.0	MADISON, Wisconsin

Administration & Reporting	2.0	0.0	MADISON, Wisconsin
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We will conduct the initial training program at our principal business office in Madison or Green Bay, one or more local customer locations we designate, or we may require you to attend training at our local regional office. Initial training programs are offered at various times, and we plan to be flexible in scheduling training to accommodate you and our personnel. Typically, there is at least one initial training program offered each month, depending on how many new franchisees enter the system.

The initial training program is presented through classroom lectures and discussions, actual demonstrations, printed manuals, video presentations, formal instructions, and practical hands-on training. The initial training program will also include approximately 9.5 hours of self-study where you will, from your home, use study materials such as video training DVDs on cleaning techniques and safety that you may later use for your personnel. Self-study time is typically assigned at the end of a classroom training session in order to help you prepare for the next classroom training session.

Our initial training program will be conducted by persons who are active operations and administration managers and staff from our headquarters or regional office that will be supporting you. The person(s) conducting the initial training will have at least six months experience in the commercial cleaning industry. We also expect to draw on the substantial experience of our management, personnel of the designated suppliers in our region, and occasionally from other experienced franchisees.

There are no fees for the initial training program. We will cover the costs of the travel and lodging for one person to attend our initial training program as part of the Initial Franchise Fee, but you are responsible for any meal expenses which your attendee incurs in connection with the training. If you wish for any additional individuals to attend our initial training program, then you will be responsible for their travel, lodging and meal expenses.

We will provide additional training, seminars, and refresher courses to you that you may attend at your option, unless you had an account transfer or cancel due to improper operation of your franchise, in which case attendance is required. There currently is no charge for the additional training or refresher courses, and although we do not charge for any special assistance or additional training of any franchisee, we may charge up to \$50 per hour, plus expenses for other assistance which we provide you.

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 own or control.

We will license you and offer you the right to provide services under your Agreement in a specific, non-exclusive, geographical territory that will be designated in the Franchise Agreement as one or more counties in the State of Wisconsin. The geographical territory currently includes Counties previously listed in the state of Wisconsin but may be changed from time to time at our discretion. You may be offered the right to provide services in any and/or all parts of such geographical territory, regardless of

your location in the geographical territory, and there is no maximum distance within such geographic territory you may have to travel to provide those services. We have established, or may establish, one or many franchisees that also will be permitted to use our trade name or trademark in the same territory. No franchisee will be granted an exclusive area or territory.

You and the other franchisees must not knowingly interfere, solicit, or otherwise contact in any manner a current customer or prospect of another JANI-KING franchisee or of our regional office, unless we request in writing that you do so. If a franchisee solicits a potential customer and discovers that the customer will be receiving, or has already received, a JANI-KING proposal delivered by another franchisee or our Regional Office staff member, the franchisee may not pursue any further solicitation of that account and must withdraw any proposal until a decision has been made on the original proposal currently under consideration, or for a maximum of 60 days from the date on that proposal.

We may monitor the performance reports on all accounts and perform periodic quality control visits to each location under your care. During these visits we may inspect and evaluate the quality of the cleaning services you are providing for the customer and discuss your performance and customer service with the customer. If at any time, whether through complaint or inspection, we discover a deficiency in performance concerning an account you service, and you do not cure the deficiency within the time stated in our policies and procedures or the notice provided to you, we have the right to suspend or terminate your authority to service that account, or all of your accounts. We may then transfer the account to another franchisee.

Without compensating you, we may solicit business from customers where you are providing service, and we may use any channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales within the area where you are providing service using the Marks or any other trademarks. If the additional services contracted for are for a facility where you are currently providing service and if you are providing acceptable service and customer service, we may offer you the right to provide service for the payment of applicable Finder's Fees. If we offer you the right to provide such service and you do not choose to accept the offer, we may designate another franchisee to provide the additional service. If the additional business is located away from the facility you are servicing for that customer, we will determine which franchisee will be designated to service the business, and we are not obligated to offer it to you.

Our staff must approve all proposals and contracts for services. We will not allow you to solicit or accept accounts outside of your designated territory through any method of distribution, including alternative channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing. All services provided by you must be made under an approved JANI-KING Maintenance Agreement where we are a party to the agreement, and we must prepare all proposals for solicitation of accounts by you in order to maintain consistency in accuracy and quality of appearance.

You may purchase more than one franchise within the territory, either from us or from an existing franchisee and we will recognize your ownership interests in all of your franchises. However, all transactions between you and us about any operation of your franchise business will be controlled by your most recent franchise agreement. If you choose not to formally merge the multiple franchises into one combined franchise, you may later transfer one of your franchises without affecting your other franchise(s). If you purchase another franchise within the territory, such additional franchise's geographical territory also will be designated in the Franchise Agreement as the entire area encompassed by one or more counties in the State of Wisconsin.

The Franchise Agreement does not give you a right to relocate your franchise to another territory, and you do not receive the right to acquire additional franchises within or outside of your territory unless you sign another Franchise Agreement with us.

There is no minimum sales quota or market penetration contingency affecting your franchise.

We do not intend to establish any other franchise with similar services or products under a different trademark, but we may establish a system of retail supply stores that may operate under a different trade name or trademark.

You may use the Internet to advertise on our JANI-KING website only in compliance with the Franchise Agreement. You may not operate your own Jani-King website.

ITEM 13 TRADEMARKS

We grant you the right to use certain trademarks, service marks and other commercial symbols in operating your franchise. Our primary service marks are the word mark, "JANI-KING," and the JANI-KING logo with the dot on the letter "I" in "JANI" formed by an outline of a crown as shown in the upper left corner of the cover sheet to this disclosure document. JK INT'L owns the JANI-KING marks and we are licensed to use them as an affiliated subsidiary.

JK INT'L registered the marks on the Principal Register of the United States Patent and Trademark Office and has filed all required affidavits:

<u>Mark</u>	<u>Federal Registration Number</u>	<u>Registration Date</u>
JANI-KING (logo)	1,399,797	July 1, 1986
JANI-KING (word)	1,472,588	January 12, 1988
THE KING OF CLEAN	2,599,370	July 23, 2002

You must follow our rules when you use these marks. You may not use the marks as part of your corporate or other legal name, and you must comply with our instructions in filing and maintaining trade name or fictitious name registrations. You must use the marks only for the operation of your franchise as specified in the Franchise Agreement, and you cannot use any of the marks for the performance or sale of any unauthorized services or products or in any other manner we do not authorize in writing.

There are no currently effective material determinations by the Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state, or of any court, nor are there any pending infringement, opposition or cancellation proceedings or any pending material litigation involving our principal marks, which are relevant to their use in this state or in any other state in which the franchise business is to be located.

We know of no superior prior rights or infringing uses that could materially affect your use of these marks in any state where your franchise business will be located.

We are not obligated to protect your rights to use these marks or to protect you against claims of infringement or unfair competition that result from your use of the marks within the terms of the Franchise Agreement, although we intend to do so when that action is in the best interest of the JANI-KING system. We are not obligated to participate in your defense and/or indemnify you for expenses or damages if you are party to an administrative or judicial proceeding involving the Marks if the proceeding is resolved unfavorably to you.

We may change the system and may require you, among other things, to adopt and use new or modified trademarks. You must promptly accept, implement, use and display these additions, modifications and changes in the operation of the franchise business at your sole cost and expense.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights.

We do not own any right in or to any patent or registered copyrights, and we do not have any pending patent applications, that are material to the franchise.

We and JK INT'L claim copyrights in the manuals; advertising, training and marketing materials; and the business methods and processes used in the operation of the franchise. These copyrights have not been registered with the United States Registrar of Copyrights.

There currently are no effective determinations of the Copyright Office (Library of Congress) or any court regarding any of the copyrighted materials. No agreements are currently in effect which significantly limit our right to use or authorize our franchisees to use the copyrighted materials. Neither we nor JK INT'L know of any infringing uses which could materially affect your use of the copyrighted materials in any state. Neither we nor JK INT'L are required by any agreement to protect or defend copyrights, patents, or confidential information, although we intend to do so when that action is in the best interest of the JANI-KING system.

Confidential Manuals.

You must operate the franchise according to the standards, policies, and procedures specified in the operating manuals. We will loan one copy of the manuals to you for the term of the Franchise Agreement. You must treat the manuals and any other materials we create or approve for use in the operation of your franchise, and the information in them, as confidential.

We may revise the contents of the manuals and you must comply with each new or changed standard. You must also ensure that the manuals are always kept current. If there is a dispute as to the contents of the manuals, the terms of the master copy maintained at our corporate office will be controlling.

Confidential Information.

We claim property rights in all the information about the operational, sales, promotional methods and techniques, and marketing methods and techniques of the JANI-KING system. We claim proprietary trade secret rights in information like lists and files, and other compilations of information pertaining to the JANI-KING system of doing business, which information includes (a) Jani-King manuals and forms, the information contained and compiled in the manuals and forms, and the updates and memoranda relating to the manuals and forms; (b) names of Jani-King's agents, suppliers, and customers, and their

requirements, specifications, and preferences; (c) the contractual arrangements between Jani-King and its agents, suppliers, and customers; (d) the financial details (including but not limited to credit and discount terms) of Jani-King's relationship with its agents, suppliers, or customers; (e) the names of prospective Jani-King customers and their requirements, specifications, and preferences; (f) information concerning the remuneration paid by Jani-King to its employees; (g) Jani-King's accounting software and forms; (h) information concerning and presented at Jani-King meetings; (i) security and access information; (j) information provided through initial and ongoing specialized training; (k) Jani-King's business plans and strategies; and (l) similar information. All such lists, files, other compilations of information, and the information contained in such materials (whether or not denoted, labeled, or marked as confidential) is considered confidential and will be and remain our exclusive property, even if compiled or developed by you (including your officers and directors, if you are a corporation, and your employees) in connection with your business under the Franchise Agreement. You must provide us, upon our request, with a list of all customers you are servicing and copies of their respective contracts.

You and your principals must not use or communicate, either during or after the term of the Franchise Agreement, the contents of any confidential manuals or forms, or any other trade secrets or confidential information about the operation of the franchise or of the JANI-KING system, except as provided for in the Franchise Agreement. You must also use all reasonable efforts to maintain this information as secret and confidential, and you must not duplicate, copy, record, or otherwise reproduce these materials, in whole or in part, or make them available to any unauthorized person without our written permission.

If you (including your officers, directors, managers, and/or members, if you are a corporation or limited liability company), your principals, or any of your employees develop any new materials, concept, process, or improvement in the operation or promotion of the business, you must give us notice and all necessary information related to such development(s). These developments are and will remain our property, without compensation, and we will have the right to use or disclose them to other franchisees if we believe it is appropriate.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You must participate personally in the direct operation of the franchise business. Your franchise will be responsible for the services performed at the customer locations where you provide service, and you must provide all labor, materials, tools, and supplies necessary to service those premises. You must perform all those services in a good and workmanlike manner, to the satisfaction of the customer and in accordance with our system standards. You must also maintain an acceptable relationship with the customer contact person. You are required to hire at least one employee for your business, other than yourself or your principals. Certain customers may require that you and your employees undergo background checks as a condition to being able to provide service to such customers' locations.

We believe that only a person with an ownership interest can adequately ensure that the standards of quality established by us are being provided to the customer. Thus, while not required, we strongly recommend that you be directly involved in the day-to-day operations. While you are required to hire one employee and you may hire additional employees for the labor-intensive portions of the business, we have built our reputation on the "owner-management" concept and believe it is mandatory for continued success.

The typical JANI-KING service contract is for a one-year term and may be renewed by the customer for additional periods of one year. The quality of your work and your relationship with the customer contacts are the primary factors in retaining the service contract. It is our belief that consistent, quality service provided at a competitive production rate and good customer relations, achieved by your direct involvement in the operation of the franchise business, is an important factor in the continuation of the service contract.

Your owners, managers, directors and officers, and the spouses of your owners, managers, directors and officers must sign an agreement to personally and unconditionally guarantee your obligations under the Franchise Agreement and agree to

be personally bound by, and personally liable for, the breach of every provision of the Franchise Agreement. The owners must agree to maintain confidentiality of the proprietary information described in Item 14 and to conform to the covenants not to compete described in Item 17. The form of that “Guaranty” agreement is attached to this disclosure document in Exhibit B.

If you employ any individual in a managerial position, you must also obtain the execution of covenants not to compete like the provisions in the Franchise Agreement. You must also require an agreement to maintain the confidentiality of information they receive or have access to base on their relationship with you. Otherwise, there are no limitations on whom you may employ as a manager, other than limitations relating to your performance obligations under the Franchise Agreement and any limitations associated with obtaining and maintaining the required insurance coverage. Your managers are not required to attend our training program but may do so.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale all types of products, and perform all services, that we require for JANI-KING businesses. You may not offer for sale any types of products or perform any services that we have not authorized. You are limited in the operation of the franchise business to the offering of cleaning services and supplies to the public. Our system standards may regulate required or authorized products, product categories and supplies. We have the right to change the types of required and/or authorized goods and services without limitation.

We also designate some goods and services as optional for qualified franchisees. We may require special training and certification before we will allow you to offer these goods and services.

All proposals for services made by you to either current or prospective customers must be reviewed and approved by our staff. All contracts and agreements for services must be on our approved forms, in our name and signed by one of our employees. You must not solicit business outside of your designated territory.

You must not knowingly interfere, solicit, or otherwise contact in any manner a current customer or prospect of another JANI-KING franchisee or of our regional office, unless we request you to do so in writing. If you solicit a potential customer and discover that the customer will be receiving, or has already received a JANI-KING proposal delivered by another franchisee or our regional office staff member, we will not allow you to pursue any further solicitation of that account, and you must withdraw any proposal until a decision has been made on the initial proposal currently under consideration, or for a maximum of 60 days from the date on that proposal.

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 Agreement	Summary
(a) Length of the franchise term	Section 9.1	10 years.

Provision	Section in Franchise Agreement	Summary
(b) Renewal or extension of the term	Section 9.2	If you are in good standing, you can renew or extend the term of your franchise on our then current terms for 3 additional 10-year periods.
(c) Requirements for you to renew or extend	Sections 9.2, 9.3, 9.4	We may allow you to renew your franchise and remain as a franchisee after the initial term of your Franchise Agreement expires if you meet the criteria set forth in the Franchise Agreement. However, to remain a franchisee, you must meet all required conditions to renewal, including signing our then-current form of franchise agreement, which may be materially different than your original franchise agreement. Other requirements include: You must give us written notice of your desire to renew seven to 12 months before the end of the term and you must sign a general release.
(d) Termination by you	Not Applicable	No early termination by you.
(e) Termination by us without cause	Not Applicable	Not Applicable
(f) Termination by us with cause	Sections 8.1, 8.2, 8.3	We can terminate only if you commit a default.

Provision	Section in Franchise Agreement	Summary
(g) "Cause" defined - defaults which can be cured	Sections 8.2 and 8.3	We can terminate you for engaging in conduct that reflects unfavorably on the operation and reputation of the JANI-KING system if you fail to cure such default in 24 hours. The following defaults, if not cured within 30 days after we have given you written notice, may result in termination: failure to comply with any provisions of the Franchise Agreement or other agreement between us and you; failure to pay any monies due us, our subsidiaries or affiliates, or others when due; enter a contract with or take payment directly from a customer without our approval; failure to submit required financial information or make false statements about it; failure to pay all taxes and employee related withholdings relating to the operation of your franchise; failure to keep your business entity active and in good standing; failure to maintain the standards that we require in the Franchise Agreement, or Manuals; failure to obtain any required approvals; misuse of JANI-KING marks; insolvency or bankruptcy.
(h) Cause defined non-curable defaults	Section 8.1 (a)-(g)	Non-curable defaults include being convicted of, pleading guilty or no contest to, or receiving deferred adjudication for a felony, crime of moral turpitude, or certain other crimes; disclosure of confidential information; abandonment; unauthorized transfer; material misrepresentations when you purchase the franchise; repeated failure to comply with Franchise Agreement or Manual requirements, even if corrected; or if you are declared insolvent or bankrupt. Subject to state law.

Provision	Section in Franchise Agreement	Summary
(i) Your obligations on termination/nonrenewal	Sections 4.27, 4.28	You must immediately cease use of all JANI-KING marks, trade secrets, and all aspects of the JANI-KING system; You must immediately return to us all advertising matter, products or writing that contain JANI-KING's trade name, logo, or copyright, and any information of a proprietary nature; you must also return to us all keys to buildings, security passes and/or codes, all our customer contracts and all our equipment. You must pay us all sums due. If you claim to have terminated or failed to renew and refuse to return the items described above, you must pay us \$500 per day as liquidated damages. (Also see Non-competition below.)
(j) Assignment of contract by us	Section 10.6	The Franchise Agreement is fully assignable by us.
(k) "Transfer" by you defined	Section 10.1	Includes transfer of Franchise Agreement or assets or ownership change.
(l) Our approval of transfer by you	Section 10.1 and 10.2	We have the right to approve all transfers.

Provision	Section in Franchise Agreement	Summary
(m) Conditions for our approval of transfer	Section 10.2 - 10.5	New franchisee qualifies; you are in full compliance with your Franchise Agreement; you pay us all amounts due; transferee and its managers have satisfactorily completed our training program ⁽¹⁾ , transferee executes our then-current form of Franchise Agreement; transfer fee paid; we approve written agreements regarding transfer; you supply us with any additional information we require; you provide (and your principals), as a personal covenant to the transferee, in addition to your covenants to us, an agreement not to seek to divert business from us or our franchisees for two years after transfer; and you sign a general release and other documents we require (Also see Non-competition below.)
(n) Our right of first refusal to acquire your business		We have a right to acquire your business under the same terms you are offering to a third party.
(o) Our option to purchase your business ⁽²⁾	Section 11	You must notify us if you plan to transfer your business to a third party. After we have been notified, we will notify you whether we will purchase your business under the same terms you are offering to a third party.
(p) Your death or disability	Section 10.3	Subject to transfer rules; however, an administrative fee, not a transfer fee, is charged if the transfer is to a family member.

Provision	Section in Franchise Agreement	Summary
(q) Non-competition covenants during the term of the franchise	Section 5	You may not own, engage in, or have a financial interest in any competing business in the territory. You also must not divert or attempt to divert any business or customer from us or our franchisees; influence your previous customers or our other franchisees; injure our goodwill; or employ or solicit our managerial employees.
(r) Non-competition covenants after the franchise is terminated or expires	Section 5	For one year, you must not: own, engage in, or have a financial interest in a competing business in the territory; divert or attempt to divert any business or customer from us or our franchisees or injure our goodwill; employ or solicit our managerial employees; influence or attempt to influence your previous customers or other franchisees. You must not use the name "JANI-" permanently (same restrictions after transfer).
(s) Modification of the agreement	Sections 4.2.2, 4.22, 4.23, 12.2.2	No modifications generally except by written Agreement, but we may change the Manuals and system standards at any time. You may be required to implement these changes at your own cost.
(t) Integration/merger clause	Section 12.3	Only the terms of the Franchise Agreement (including the Manuals) are binding (subject to state law). Any other promises may not be enforceable. No claim made in any franchise agreement is intended to disclaim the express representations made in this Franchise Disclosure Document.
(u) Dispute resolution by arbitration or mediation	Section 12.16	Except for certain claims, all disputes must be arbitrated within 50 miles of our then current principal place of business.
(v) Choice of forum	Section 12.9	Litigation must be in Dallas County, Texas (subject to state law).

Provision	Section in Franchise Agreement	Summary
(w) Choice of law	Section 12.9	Texas law applies without reference to choice of law principles (subject to State law).

Notes:

(1) As a condition to our approval of a transfer, you must continue to provide service to the accounts serviced by your franchise until the proposed transfer takes place.

(2) We have an option to transfer any of the accounts serviced by your franchise if you fail to comply with the Franchise Agreement or our policies and procedures within 7 days after we give you notice of non-compliance, if a customer asks for a transfer or cancellation, or if you provide services to any customer and do not report the Gross Revenue derived from such services to us (See Sections 4.19.4 and 4.19.5.).

A provision in the Franchise Agreement which terminates the Franchise Agreement upon your bankruptcy may not be enforceable under Title 11, United States Code Section 101.

ITEM 18

PUBLIC FIGURES

JK INT'L has an agreement with Tom Hoge that will allow us to use his name and images in the sale of its services and the overall promotion of its name and image. JK INT'L will pay Tom Hoge \$25,000 for the right to produce and use advertising, promotional and marketing materials containing the name and image of Adam Schenk during the 2025 PGA Tour Season from February 1, 2025 to June 30, 2025. Tom Hoge is also eligible for performance bonuses based on his performance on the PGA Tour from February 1, 2025 to June 30, 2025. Tom Hoge does not manage, control, or own an interest in JK INT'L or us.

JK INT'L has an agreement with James "J.T." Poston that will allow us to use his name and images in the sale of its services and the overall promotion of its name and image. JK INT'L will pay James "J.T." Poston \$25,000 for the right to produce and use advertising, promotional and marketing materials containing the name and image of James "J.T." Poston during the 2025 PGA Tour Season from February 1, 2025 to June 30, 2025. James "J.T." Poston is also eligible for performance bonuses based on his performance on the PGA Tour from February 1, 2025 to June 30, 2025. James "J.T." Poston does not manage, control, or own an interest in JK INT'L or us.

JK INT'L has an agreement with Sepp Straka that will allow us to use his name and images in the sale of its services and the overall promotion of its name and image. JK INT'L will pay Sepp Straka \$25,000 for the right to produce and use advertising, promotional and marketing materials containing the name and image of Sepp Straka during the 2025 PGA Tour Season from February 1, 2025 to June 30, 2025. Sepp Straka is also eligible for performance bonuses based on his performance on the PGA Tour from February 1, 2025 to June 30, 2025. Sepp Straka does not manage, control, or own an interest in JK INT'L or us.

JK INT'L has an agreement with Beau Hossler that will allow us to use his name and images in the sale of its services and the overall promotion of its name and image. JK INT'L will pay Beau Hossler \$15,000 for the right to produce and use advertising, promotional and marketing materials containing the name and image of Beau Hossler during the 2025 PGA Tour Season from February 1, 2025 to June 30, 2025. Beau Hossler is also eligible for performance bonuses based on his performance on the PGA Tour from February 1, 2025 to June 30, 2025. Beau Hossler does not manage, control, or own an interest in JK INT'L or us.

JK INT'L has an agreement with Patton Kizzire that will allow us to use his name and images in the sale of its services and the overall promotion of its name and image. JK INT'L will pay Patton Kizzire \$15,000 for the right to produce and use advertising, promotional and marketing materials containing the name and image of Patton Kizzire during the 2025 PGA Tour Season from February 1, 2025 to June 30, 2025. Patton Kizzire is also eligible for performance bonuses based on his performance on the PGA Tour from February 1, 2025 to June 30, 2025. Patton Kizzire does not manage, control, or own an interest in JK INT'L or us.

JK INT'L has an agreement with Greyson Sig that will allow us to use his name and images in the sale of its services and the overall promotion of its name and image. JK INT'L will pay Greyson Sig \$15,000 for the right to produce and use advertising, promotional and marketing materials containing the name and image of Greyson Sig during the 2024 PGA Tour Season from February 1, 2025 to June 30, 2025. Greyson Sig is also eligible for performance bonuses based on his performance on the PGA Tour from February 1, 2025 to June 30, 2025. Greyson Sig does not manage, control, or own an interest in JK INT'L or us.

JK INT'L has an agreement with Colt Knost that will allow us to use his name and images in the sale of its services and the overall promotion of its name and image. JK INT'L will pay Colt Knost \$12,500 for the right to produce and use advertising, promotional and marketing materials containing the name and image of Colt Knost during the 2025 PGA Tour Season from January 2, 2025 to June 30, 2025. Colt Knost does not manage, control, or own an interest in JK INT'L or us.

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 representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Jani-King of Madison or Green Bay 6472 Ronald Reagan Avenue, Madison, WI 53704 Attn: Legal Department, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION Table No. 1

Franchisor Outlet Summary For Years 2022 to 2024¹

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2022	5,301	4,980	-321
	2023	4,980	4,916	-64
	2024	4,916	4,859	-57
Company-Owned	2022	16	12	-4
	2023	12	12	0
	2024	12	13	+1
Total Outlets	2022	5,317	4,992	-325
	2023	4,992	4,928	-64
	2024	4,928	4,872	-56

¹ All numbers are as of our fiscal year end which is December 31. This chart provides system-wide numbers and includes outlets of Franchisor, Corporate Region Subs, and Domestic Regional Franchisors.

Table No. 2

**Transfers of Outlets From Franchisees To New Owners
(Other than the Franchisor)
For Years 2022 to 2024¹**

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Alabama	2022	3
	2023	1
	2024	0
Arizona	2022	1
	2023	0
	2024	0
Arkansas	2022	0
	2023	0
	2024	0
California	2022	0
	2023	0
	2024	0
Colorado	2022	0
	2023	0
	2024	0
Connecticut	2022	0
	2023	1
	2024	0
Delaware	2022	0
	2023	0
	2024	0
District of Columbia	2022	0
	2023	0
	2024	0
Florida	2022	12
	2023	9
	2024	6
Georgia	2022	1
	2023	4
	2024	4
Hawaii	2022	5
	2023	4
	2024	7
Idaho	2022	0
	2023	0
	2024	0
Illinois	2022	2
	2023	2
	2024	3
Indiana	2022	0
	2023	0
	2024	0
Iowa	2022	1

	2023	0
	2024	0
Kansas	2022	1
	2023	2
	2024	2
Kentucky	2022	0
	2023	1
	2024	1
Louisiana	2022	15
	2023 ³	12
	2024	7
Maryland	2022	1
	2023	0
	2024	0
Massachusetts	2022	0
	2023	0
	2024	0
Michigan	2022	3
	2023	0
	2024	0
Minnesota	2022	0
	2023	0
	2024	3
Mississippi	2022	3
	2023	0
	2024	3
Missouri	2022	2
	2023	1
	2024	2
Nebraska	2022	0
	2023	0
	2024	0
Nevada	2022	0
	2023	1
	2024	0
New Jersey	2022	0
	2023	0
	2024	0
New Mexico	2022	0
	2023	0
	2024	3
New York	2022	1
	2023	0
	2024	1
North Carolina	2022	2
	2023	3
	2024	3
Ohio	2022	0
	2023	1
	2024	4
Oklahoma	2022	3
	2023	0

	2024	0
Oregon	2022	0
	2023	1
	2024	1
Pennsylvania	2022	4
	2023	0
	2024	1
Rhode Island	2022	7
	2023	2
	2024	1
South Carolina	2022 ²	3
	2023	2
	2024	1
Tennessee	2022	0
	2023	3
	2024	2
Texas	2022	5
	2023	10
	2024	6
Utah	2022	0
	2023	0
	2024	0
Virginia	2022	1
	2023	1
	2024	1
Washington	2022	0
	2023	0
	2024	0
Wisconsin	2022	2
	2023	2
	2024	2
All Other States	2022	0
	2023	0
	2024	0
Totals	2022	78
	2023	63
	2024	64

¹ All numbers are as of our fiscal year end which is December 31. This chart provides system-wide numbers and includes outlets of Franchisor, Corporate Region Subs, and Domestic Regional Franchisors.

² Franchise number 174 was transferred to a new owner on February 4, 2022. This same franchise was transferred again to a new owner on August 2, 2022.

³ Franchise number 1329 was transferred to a new owner on June 1, 2023. This same franchise was transferred again to a new owner on October 10, 2023.

Table No. 3**Status of Franchised Outlets
For Years 2022 to 2024¹**

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9
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
Alabama	2022	234	24	17	2	4	6	229
	2023	229	19	15	0	1	11	221
	2024	221	17	11	1	0	9	217
Arizona	2022	164	10	10	0	1	2	161
	2023	161	10	9	0	0	3	159
	2024	159	13	12	1	0	7	152
Arkansas	2022	12	2	0	0	0	1	13
	2023	13	4	0	0	0	1	16
	2024	16	4	0	0	0	1	19
California	2022	250	0	250	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Colorado	2022	46	0	0	0	0	2	44
	2023	44	2	0	2	0	4	40
	2024	40	1	0	4	0	0	37
Connecticut	2022	55	3	0	0	0	5	53
	2023	53	4	0	0	0	6	51
	2024	51	2	0	4	1	7	41
Delaware	2022	9	0	0	0	0	0	9
	2023	9	3	0	0	0	0	12
	2024	12	0	0	0	0	1	11
District of Columbia	2022	4	2	0	0	0	1	5
	2023	5	0	0	0	0	1	4
	2024	4	0	0	1	0	0	3
Florida	2022	455	73	44	3	0	16	465
	2023	465	78	53	1	0	21	468
	2024	468	75	44	2	1	24	472
Georgia	2022	252	28	0	1	0	25	254
	2023	254	23	0	1	0	18	258
	2024	258	16	0	0	0	18	256
Hawaii	2022	117	14	3	0	10	0	118
	2023	118	30	0	0	10	0	138
	2024	138	20	0	0	8	6	144
Idaho	2022	0	1	0	0	0	0	1

	2023	1	1	0	0	0	0	2
	2024	2	1	0	0	0	0	3
Illinois	2022	192	4	18	0	0	1	177
	2023	177	6	9	0	0	9	165
	2024	165	5	3	0	1	5	161
Indiana	2022	94	12	0	1	0	6	99
	2023	99	9	0	2	0	8	98
	2024	98	7	0	3	0	12	90
Iowa	2022	13	5	0	0	0	0	18
	2023	18	0	0	0	0	0	18
	2024	18	3	0	0	0	3	18
Kansas	2022	94	8	0	0	0	19	83
	2023	83	10	0	0	0	13	80
	2024	80	12	0	0	0	5	87
Kentucky	2022	60	8	0	0	0	7	61
	2023	61	4	0	1	0	11	53
	2024	53	3	0	1	0	6	49
Louisiana	2022	324	35	0	1	6	15	337
	2023	337	26	1	0	12	9	341
	2024	341	18	2	0	11	12	334
Maryland	2022	68	19	1	1	0	2	83
	2023	83	6	11	0	0	1	77
	2024	77	4	5	0	0	3	73
Massachusetts	2022	5	0	0	0	0	1	4
	2023	4	0	0	1	0	0	3
	2024	3	0	0	0	0	0	3
Michigan	2022	67	2	7	0	0	2	60
	2023	60	9	6	1	1	1	60
	2024	60	4	0	0	7	1	56
Minnesota	2022	62	0	1	2	0	3	56
	2023	56	3	1	3	0	4	51
	2024	51	2	1	2	0	2	48
Mississippi	2022	101	4	0	0	7	6	92
	2023	92	8	1	0	6	4	89
	2024	89	8	1	0	2	6	88
Missouri	2022	131	11	0	0	0	18	124
	2023	124	2	0	1	0	24	101
	2024	101	13	1	1	1	11	100
Nebraska	2022	44	5	0	0	0	6	43
	2023	43	6	0	0	0	7	42
	2024	42	6	0	0	0	5	43
Nevada	2022	66	0	1	0	0	6	59
	2023	59	2	4	0	0	1	56
	2024	56	1	0	0	0	0	57

New Jersey	2022	54	2	3	0	0	0	53
	2023	53	4	7	0	0	0	50
	2024	50	5	2	0	0	0	53
New Mexico	2022	39	5	1	0	1	2	40
	2023	40	13	0	0	0	0	53
	2024	53	14	0	0	0	1	66
New York	2022	61	4	5	0	0	1	59
	2023	59	15	4	0	1	0	69
	2024	69	8	1	0	0	0	76
North Carolina	2022	357	34	0	2	0	47	342
	2023	342	25	0	3	1	32	331
	2024	331	36	2	2	0	35	328
Ohio	2022	278	22	0	1	5	23	271
	2023	271	14	1	1	3	17	263
	2024	263	8	0	0	3	20	248
Oklahoma	2022	98	3	3	0	3	2	93
	2023	93	4	5	0	2	3	87
	2024	87	4	1	0	5	1	84
Oregon	2022	80	3	0	0	0	2	81
	2023	81	2	0	0	1	3	79
	2024	79	1	0	2	0	2	76
Pennsylvania	2022	93	6	3	0	0	7	89
	2023	89	9	5	0	0	7	86
	2024	86	5	2	0	0	4	85
Rhode Island	2022	86	13	3	0	0	4	92
	2023	92	10	4	0	0	14	84
	2024	84	1	7	0	0	3	75
South Carolina	2022	232	17	0	1	0	20	228
	2023	228	20	0	0	2	11	235
	2024	235	16	0	1	0	16	234
Tennessee	2022	160	9	0	0	0	23	146
	2023	146	11	0	0	0	14	143
	2024	143	12	0	0	0	11	144
Texas	2022	335	25	0	0	2	20	338
	2023	338	25	1	0	2	20	340
	2024	340	28	0	5	2	15	346
Utah	2022	50	0	0	0	0	5	45
	2023	45	2	0	0	0	0	47
	2024	47	0	0	0	0	2	45
Virginia	2022	216	18	8	2	1	15	208
	2023	208	15	9	1	3	11	199
	2024	199	8	5	2	1	14	185
Washington	2022	96	0	0	0	0	6	90
	2023	90	1	0	3	0	3	85

	2024	85	0	0	2	0	4	79
Wisconsin	2022	147	27	7	0	0	10	157
	2023	157	18	0	0	0	13	162
	2024	162	22	6	0	0	5	173
All Other States	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0		0	0	0
Totals	2022	5,301	458 ³	385	17	40	337	4,980
	2023	4,980	453 ⁴	146	21	45	305	4,916
	2024	4,916	403 ⁵	106	34	43	277	4,859

* If multiple events occurred affecting an outlet, this table shows the event that occurred last in time.

¹ All numbers are as of our fiscal year end which is December 31. This chart provides system-wide numbers and includes outlets of Franchisor, Corporate Region Subs, and Domestic Regional Franchisors.

² This column consists of franchises that Franchisor considers to have “ceased to do business.” Franchisor counts a franchise as ceased to do business when the franchise has not generated revenue for one calendar year. A franchise that has ceased to do business may reactivate in certain circumstances and so long as the applicable franchise agreement is still in effect.

³ The Outlets Opened includes 23 reactivated franchises that have been counted in the Cease Operations – Other Reasons column in previous years due to being inactive.

⁴ The Outlets Opened includes 22 reactivated franchises that have been counted in the Cease Operations – Other Reasons column in previous years due to being inactive.

⁵ The Outlets Opened includes 13 reactivated franchises that have been counted in the Cease Operations – Other Reasons column in previous years due to being inactive.

The basic nature of our business allows for a portion of our franchisees to service commercial cleaning accounts on a sporadic basis because they choose to operate their franchises on a part-time basis and/or only as a source of supplemental income. Therefore, the calculation of operational franchises does not necessarily consider the status or volume of revenues of these franchises at the time they are classified for this disclosure, since any franchise which was not then currently generating revenues may later resume services and actively compete with a franchise, who elects to join the JANI-KING system.

In addition to these unit franchises, JKF has existing 83 Regional Franchisors operating regional support centers in the United States and in 8 other countries. For the three-year period before December 31, [2024, on was](#) terminated by us for failure to comply with quality control standards or other reasons; two have been reacquired by us through a purchase, although we are not required to do so; none have been non-renewed by us; none have been otherwise reacquired by us; and none have ceased operations.

Table No. 4

**Status of Company-Owned Outlets
(US Only)
For Years 2022 to 2024¹**

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Alabama	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Arizona	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Arkansas	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
California	2022	4	0	0	0	0	4
	2023	4	0	0	4	0	0
	2024	0	0	0	0	0	0
Colorado	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Connecticut	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Delaware	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
District of Columbia	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Florida	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Georgia	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Hawaii	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Illinois	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Indiana	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Kansas	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Kentucky	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Louisiana	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0

Maryland	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Massachusetts	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Michigan	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Minnesota	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Mississippi	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Missouri	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	1	0	0	0	1
Nebraska	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Nevada	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
New Hampshire	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
New Jersey	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
New Mexico	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
New York	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2
North Carolina	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Ohio	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Oklahoma	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2
Oregon	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Pennsylvania	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2
Rhode Island	2022	0	0	0	0	0	0

	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
South Carolina	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
Tennessee	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
Texas	2024	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Utah	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2022	1	0	0	0	0	1
Virginia	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
Washington	2024	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Wisconsin	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
All Other States	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2022	16	0	0	4	0	12
	2023	12	0	0	0	0	12
Totals	2024	12	1	0	0	0	13

¹ All numbers are as of our fiscal year end which is December 31. This chart includes outlets of our Corporate Region Subs.

Table No. 5

Projected Openings as of December 31, 2024¹

Column 1	Column 2	Column 3	Column 4
State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In the Next Fiscal Year
Alabama	0	24	0
Arizona	1	18	0
Arkansas	0	7	0
California	0	0	0

Colorado	0	4	0
Connecticut	0	5	0
Delaware	0	1	0
District of Columbia	0	1	0
Florida	1	84	0
Georgia	4	42	0
Hawaii	0	19	0
Idaho	0	2	0
Illinois	0	4	0
Indiana	0	11	0
Iowa	0	2	0
Kansas	0	15	0
Kentucky	0	9	0
Louisiana	1	31	0
Maryland	0	12	0
Massachusetts	0	0	0
Michigan	0	5	0
Minnesota	0	5	0
Mississippi	0	14	0
Missouri	0	19	0
Nebraska	0	8	0
Nevada	0	2	0
New Hampshire	0	0	0
New Jersey	0	7	0
New Mexico	0	8	0
New York	0	10	0

North Carolina	2	46	0
Ohio	0	18	0
Oklahoma	0	10	0
Oregon	0	4	0
Pennsylvania	1	7	0
Rhode Island	0	12	0
South Carolina	0	40	0
Tennessee	0	33	0
Texas	0	37	0
Utah	0	2	0
Virginia	0	24	0
Washington	0	6	0
Wisconsin	0	50	0
All Other States	0	0	0
Totals	10	658	0

¹ This chart provides system-wide numbers and includes outlets of Franchisor, Corporate Region Subs, and Domestic Regional Franchisors.

A list of names, addresses, and business telephone numbers of all franchisees under franchise agreements with us as of December 31, 2023, is provided in Exhibit IX.

Also included in Exhibit H is a list of the name, city and state, and current business telephone number (or, if unknown, the last known home telephone number) of each of our franchisees who had an outlet terminated, canceled, or not renewed, by us or who otherwise voluntarily or involuntarily ceased to do business under their agreement as of December 31, 2023, or who has not communicated with us within 10 weeks of the date of this disclosure document.

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

As of the date of this disclosure document, we are not offering any existing franchised outlets to prospective franchisees, including those that either have been reacquired by us or are still being operated by current franchisees pending a transfer. If we begin to offer any such outlet, specific information about the outlet will be provided to you in a separate supplement to this disclosure document.

As of the date of this disclosure document, we have no current or former franchisees who have signed provisions during the last three fiscal years restricting their ability to speak openly to you about their experience with the JANI-KING franchise system.

As of the date of this disclosure document, no independent trademark-specific franchisee organizations have asked to be included in this disclosure document and there are no franchisee organizations sponsored or endorsed by us.

ITEM 21 FINANCIAL STATEMENTS

Exhibit G attached to this disclosure document contains the following:

1. Consolidated, audited financial statements of JK INT'L as of and for the years ended December 31, 2022, December 31, 2023, and December 31, 2024.
2. Consolidated, audited financial statements of Focus Franchising, Inc as of and for the years ended December 31, 2022, December 31, 2023, and December 31, 2024.
3. Consolidated, audited financial statements of Forward Franchising, Inc as of and for the years ended December 31, 2022, December 31, 2023, and December 31, 2024..

ITEM 22 CONTRACTS

We attached the following agreements as Exhibits to this disclosure document:

Exhibit:

I Franchise Agreement and Guaranty

II Account Acceptance /Finder's Fee Agreement

III Office Supply and Advertising

IV Equipment Lease Agreement

V General Release

VI BPP Election Form

VII Table of Contents for Manuals

VIII Financial Statements

IX List of Current Franchisees and Franchisees Who Have Left the System

X Litigation and Bankruptcy Involving JKI and its Affiliates

XI Receipts

ITEM 23 RECEIPTS

Attached as the last two pages of this disclosure document (See Exhibit XI) are duplicate Receipts to be signed by you. Keep one for your records and return the other one to us.

EXHIBIT I
Franchise Agreement with Guaranty

JANI-KING OF MADISON OR JANI-KING OF GREEN BAY

FRANCHISE AGREEMENT

THIS AGREEMENT (this “*Agreement*”) is made and entered into in MADISON OR GREEN BAY, DANE OR BROWN County, WISCONSIN by and between JANI-KING OF MADISON OR GREEN BAY, a WISCONSIN Corporation, hereinafter referred as “*Franchisor*”, and

hereinafter referred to, singularly or collectively, as “*Franchisee*”, doing business as a:

[] Corporation, incorporated under the laws of _____, [] Limited Liability Company, formed under the state of _____

for the purposes of allowing Franchisee to operate a business as a Franchisee of Franchisor. Franchisee and Franchisor may be jointly referred to as the “*Parties*.” Jani-King International, Inc., and its various subsidiaries (including, without limitation, Franchisor) are collectively referred to herein as “*Jani-King*.”

FRANCHISE SUMMARY

EFFECTIVE DATE: _____, 2____. PLAN: _____

INITIAL FRANCHISE FEE DOWN PAYMENT:

(\$ _____) _____ Dollars

PROJECTED INITIAL FRANCHISE FEE MONTHLY PAYMENT:

\$ _____ PER MONTH FOR _____ MONTHS

INITIAL BUSINESS:

(\$ _____) _____ (Thousand)

INITIAL OFFERING PERIOD: _____ (_____) Days

TERRITORY: Counties:

MADISON-Columbia, Dane, Green, Rock and Sauk OR

GREEN BAY-Adams, Brown, Calumet, Door, Green Lake, Juneau, Kewaunee, Manitowoc, Marathon, Marquette, Outagamie, Portage, Shawano, Waupaca, Waushara, Winnebago, and Wood in the State of WISCONSIN.FRANCHISEE ADDRESS:

CITY: _____ STATE: _____ ZIP CODE: _____

COUNTY: _____ TELEPHONE NUMBER: (____) _____

EMAIL: _____

FEDERAL TAX ID#: _____ STATE TAX ID# (if applicable): _____

RECITALS

SECTION 1

1.1. WHEREAS, Jani-King owns a system (the “**System**”) consisting of the Proprietary Marks (as defined herein), and certain proprietary know-how and other Confidential Information (as defined herein) for:

(a) the franchising of comprehensive cleaning and maintenance businesses using the System and the Confidential Information, and the supply and distribution of complete cleaning and/or maintenance related services, including, but not limited to, commercial, industrial, and institutional cleaning (the “**Services**”); and

(b) the supply and distribution of cleaning and maintenance products using the System and the Confidential Information, and the promotion, sale, and delivery of the same (the “**Products**”).

1.2. WHEREAS, Franchisor is authorized to grant a license to use the System, the Proprietary Marks, and/or the Confidential Information.

1.3. WHEREAS, Franchisee desires to use the System in Franchisee’s business as a Jani-King Franchisee.

1.4. WHEREAS, the Parties to this Agreement desire that the Franchisor grant to the Franchisee a license to use the System developed by Jani-King in the Territory for the operation of a cleaning and maintenance business, and agree that such business will be governed by the terms, covenants, and conditions contained in this Agreement and the brand standards in Franchisor’s Policy and Procedures Manual (the “**Manual**”).

1.5. NOW, THEREFORE, in consideration of the full and faithful performance of each and every one of the covenants, terms, and conditions contained herein, the Parties agree as follows:

SECTION 2

2.1. Franchisor grants to the Franchisee, upon the terms and conditions herein contained, a license and right to use the System developed by Jani-King in connection with the Franchisee’s operation of a Jani-King cleaning and maintenance business (“**Franchised Business**”) in the territory described in the Franchise Summary (the “**Territory**”). The “**Franchise Summary**” is defined as all information contained on the first page of this Agreement appearing below the words “FRANCHISE SUMMARY.”

SECTION 3

GRANT OF FRANCHISE

3.1. For and in consideration of the full and faithful performance of each and every one of the covenants, terms and conditions herein contained and agreed to by Franchisee, Franchisor grants to the Franchisee the right to establish and operate the Franchised Business within the Territory.

3.2. Franchisee will operate the Franchised Business at or from a location of its choosing within the Territory subject to the approval of Franchisor and Franchisee’s continued compliance with the terms and conditions set forth herein.

SECTION 4

FRANCHISEE PLEDGES

4.1. To operate the Franchised Business in the Territory described herein using the System.

4.1.1. Franchisee agrees that it will not use any name in the operation of the Franchised Business other than those specifically authorized by Franchisor. Franchisee is authorized to use the title “Authorized Franchisee of Jani-King®” and/or “Independent Franchisee of Jani-King®” in conjunction with the operation of its Franchised Business. Franchisee is not authorized and agrees not to use the trademark “Jani-King” in any part of a corporate name or other legal name of an entity used to purchase the franchise. Franchisee is prohibited from using (i) any other janitorial, maintenance, or cleaning service name in conjunction with their formal name (for example, “ABC Custodials”, “ABC Maintenance”, “ABC Cleaning Services”), (ii) a name prefix of “Jani-”, or any other similarly spelled or sounding prefix, (iii) the words “Services”, “Cleaning”, and “Maintenance”, or (iv) any other trademarks, trade names, or service marks, or any name that has not been granted prior written approval by Jani-King’s Corporate Office. All directory listings, letterhead, or any other visual or printed matter used by Franchisee to communicate to anyone must conform to Franchisor’s brand standards. Franchisee is prohibited from using the term “dba Jani-King” in conjunction with the operation of its Franchised Business.

4.1.2. Franchisor has developed and used, and continues to develop, use, and control in connection with its System certain Proprietary Marks that have become associated with its System so as to impart to the public superior standards of quality and service. The “**Proprietary Marks**” as used in this Agreement means all trademarks, trade names, trade dress, service marks, slogans, and logos, including, but not limited to, the mark “Jani-King”, the mark “The King of Clean” or any other trademark or service mark which may be authorized in writing by an officer of Franchisor now or at any time in the future.

4.1.3. Franchisor has developed and continues to develop, in connection with its System, certain brand standards, customer information, guidelines, recommendations, and advice containing confidential information, programs, devices, methods, techniques, and/or processes which are not generally known to the public pertaining to franchising, promotion, marketing, operation, and management of a business, including, but not limited to, the System, as defined herein, which includes but is not limited to information regarding the operational, sales, promotional methods and techniques, and marketing methods and techniques related to the System. Such information includes, but is not limited to: (a) Jani-King’s DVDs, manuals, forms, the information contained and compiled therein, and the updates and memoranda thereto; (b) names of agents, suppliers, and customers, and their requirements, specifications, and preferences; (c) the contractual arrangements with agents, suppliers, and customers; (d) the financial details (including but not limited to credit and discount terms) of relationships with its agents, suppliers, or customers; (e) the names of prospective customers and their requirements, specifications, and preferences; (f) Jani-King’s accounting software; (g) information concerning and presented at Jani-King meetings; (h) security and access information; (i) information provided through initial and ongoing specialized training; and (j) Jani-King’s business plans and strategies (collectively, the “**Confidential Information**”).

4.1.4. All use of the Proprietary Marks and Confidential Information by Franchisee must be in accordance with the terms of this Agreement and the brand standards in the Manual and inure to the benefit of Franchisor and all such Proprietary Marks and Confidential Information will remain the sole property of Franchisor.

4.1.5. Franchisee has the right to advertise the Franchised Business within the Territory in accordance with the terms of this Agreement and the brand standards in the Manual. Franchisee may conduct its own advertising campaigns using such items as direct mail, flyers, newspaper ads and other approved forms of advertising. Franchisee agrees to submit to Franchisor, prior to use by Franchisee, samples of any and all advertising and promotional plans and materials of any type which contain in any manner any of the Proprietary Marks, including

without limitation the trade names, trademarks, service marks, slogans and logos as are now or which in the future may be approved for use by Franchisee. Franchisee must obtain Franchisor's prior approval of all advertising that Franchisee desires to use in connection with its Franchised Business by submitting it to Franchisor at least thirty (30) days prior to publication, including any advertising on the Internet, which Franchisor may grant or withhold in its business judgment. To protect the System, Proprietary Marks, and Jani-King name, Franchisor has the right to require Franchisee to include certain statements in and/or make changes to Franchisee's proposed advertising prior to approval. Franchisee's advertising materials may not contain any statement or material which, in Franchisor's sole business judgment may be considered: (a) in bad taste or offensive to the public or to any group of persons; (b) defamatory of any person or an attack on any competitor; (c) to infringe upon the use, without permission, of any other persons' trade name, trademark, service mark or identification; or (d) inconsistent with the public image of the System. Franchisee acknowledges that advertising the Franchised Business in accordance with this Agreement and Jani-King's brand standards is essential to protect the goodwill toward the System, Proprietary Marks, and Jani-King name.

Franchisee acknowledges and agrees that any and all copyright in and to advertising materials developed by Franchisee or on Franchisee's behalf will be Franchisor's sole property, and Franchisee must execute such documents (and, if necessary, require your independent contractors to execute such documents) as may be deemed reasonably necessary by Franchisor to give effect to this provision.

4.1.6. Franchisee may not develop, create, distribute, contribute to, disseminate or use any digital or Internet communication including websites, blogs, instant message services, social media sites such as Facebook, Twitter, and Instagram, and all other digital communication methods or any multimedia, telecommunication, mass electronic mail, or audio/visual advertising, promotional or marketing materials ("**Digital Advertising**"), directly or indirectly related to the Franchised Business, Franchisor, the System, or Proprietary Marks, without Franchisor's prior written consent, which consent may be withheld in Franchisor's sole determination. All Digital Advertising is subject to Section 4.1.5 above. Franchisee may not maintain a website, unless such presence is a page on Jani-King's own website domain. Franchisor reserves the right to develop, publish and control the content of all Digital Advertising. Franchisee acknowledges that Franchisor owns all Digital Advertising related to, containing, or associated with the System, Proprietary Marks, or Jani-King name.

4.2.1. Franchisee agrees to devote sufficient time and effort to its business pursuant to this Agreement.

4.2.2. Franchisee will comply with established Jani-King brand standards, as they may be amended from time to time, and agrees not to deviate there from without prior written consent of Franchisor.

4.2.3. All of Franchisee's owners, shareholders, members, officers, directors, and managers (each, a "**Principal**" and collectively, the "**Principals**") who will actively participate in the operations of the Franchise Business agree to successfully complete the initial training program within six months of the signing of this Agreement.

4.3. In consideration of the rights herein granted under the plan identified in the Franchise Summary (the "**Plan**"), and the initial services to be performed by Franchisor in connection with Franchisee's use in the Territory of the System, Proprietary Marks and Confidential Information as pledged herein, Franchisee will pay to the Franchisor, upon execution of this instrument, the INITIAL FRANCHISE FEE DOWN PAYMENT, as stated in the Franchise Summary herein (the "**Initial Franchise Fee Down Payment**"). Franchisee authorizes Franchisor's deduction of Initial Franchise Fee Monthly Payments, as stated in the Franchise Summary herein, (the "**Initial Franchise Fee Monthly Payments**") from the Gross Revenue, as defined herein, in the amount and number of payments stated in the Franchise Summary, provided Franchisee's franchise produces Gross Revenue in an amount equal to or greater than \$1,000 in an applicable month. The Initial Franchise Fee Down Payment plus the Initial

Franchise Fee Monthly Payments equal the “**Initial Franchise Fee.**”

4.3.1. Payment of this sum will entitle Franchisee to the non-exclusive right to use the System developed by Jani-King in connection with the Franchised Business in the Territory described herein. Franchisor will secure commercial cleaning and maintenance contracts and offer to Franchisee the opportunity to perform services in accordance with those commercial cleaning and maintenance contracts which contracts will have cumulative initial gross monthly billings in the amount equal to the amount stated as the “INITIAL BUSINESS” in the Franchise Summary (the “**Initial Business**”).

4.3.2. Except as otherwise noted herein, the Initial Franchise Fee is non-refundable and is in addition to royalties and other payments set out herein.

4.3.3. ANY COMMERCIAL CLEANING AND MAINTENANCE CONTRACTS THAT FRANCHISOR OFFERS TO FRANCHISEE THE RIGHT TO PROVIDE SERVICES WILL COUNT AGAINST THE INITIAL BUSINESS, WHETHER FRANCHISEE ACCEPTS THE OFFER OR NOT. However, in the event that Franchisor is unable to secure and offer to the Franchisee the right to provide services to commercial cleaning and maintenance contracts with a cumulative total of initial gross monthly billings equal to or greater than the Initial Business within the time period stated as the “INITIAL OFFERING PERIOD” in the Franchise Summary (the “**Initial Offering Period**”), a portion of the Initial Franchise Fee may be refundable. If the Franchisor fails to offer the full amount of Initial Business prior to the end of the Initial Offering Period, an amount equal to three times the amount of Initial Business not offered to the Franchisee. Any refund will be first applied to any money owed to Franchisor, Jani-King Leasing Corporation, an affiliate of Franchisor, and any unpaid fees or charges that would result in a negative due Franchisee Report (as defined in Section 4.8.1 below). Any remaining portion of the refund will be credited to the Franchisee, unless agreed to otherwise in writing by Franchisor and Franchisee. A refund or other written agreement between the Parties, under this provision will fulfill Franchisor’s obligation to offer any remaining portion of the Initial Business used to calculate the refund.

4.4. In addition to the Office Supply and Advertising Package provided to Franchisee by Franchisor as described in Schedule One of this Agreement, Franchisee is required to purchase the Professional Products and Equipment listed in Schedule One as the “Supply and Equipment Package”, and also purchase, lease, or provide proof of ownership to Franchisor of the following “Additional Electrical Equipment” set forth in Schedule One:

The Supply and Equipment Package and the Additional Electric Equipment must be obtained by the Franchisee before any Initial Business will be offered. Franchisor reserves the right, upon thirty days’ notice to Franchisee, to require Franchisee to purchase all cleaning equipment and supplies for the operation of its franchise from one or more of Franchisor’s affiliates, or from a vendor approved by Franchisor.

4.5.1. Franchisee agrees to pay to Franchisor or Franchisor’s designee, by the fifth/tenth day of each month a royalty fee equal to 10% of the monthly Gross Revenue (the “**Royalty Fee**”). The minimum royalty is \$100.00 monthly during the first 12 months of operation (as measured from the month Franchisor satisfies the Initial Business offering obligation) and \$500.00 per month thereafter. Such minimum royalty is subject to annual adjustment for increases in the Consumer Price Index. “**Gross Revenue**” is defined as all revenue invoiced by anyone for any contract services, one-time cleans, extra work, sales of supplies, equipment or goods and any other revenue related to or derived from the provision of any cleaning and maintenance services including, but not limited to, commercial, industrial, and institutional, as well as the sale, leasing or distribution of related supplies and equipment in connection with the conduct and operation of the Franchised Business or otherwise directly or indirectly, in whole or in part, performed or sold by, or for the benefit of Franchisee, Franchisee’s guarantors, agents, representatives, and/or employees, or the Principals or any of the spouses of the Principals, regardless of the entity or business name used.

4.5.2. Franchisee agrees to pay Franchisor an advertising fee (the “**Advertising Fee**”) equal to one and one half percent (1.5%) of Franchisee’s Gross Revenue. Franchisee agrees to pay the Advertising Fee commencing on the fifth/tenth day of the month and continuing the fifth/tenth day of every month thereafter for the remainder of the term. Franchisee agrees that Franchisor, in Franchisor’s sole discretion, may increase the Advertising Fee up to 2% of Franchisee’s Gross Revenue. Franchisee agrees that the Advertising Fee will be maintained and administered by Franchisor or its designee as follows:

The Advertising Fee will be used by us or our designee as follows:

(1) We will direct all advertising programs and will have sole discretion to approve or disapprove the creative concepts, materials and media used in the programs. The Advertising Fee is intended to be used to maximize general public recognition and acceptance of the registered trademarks and enhance the collective success of all franchises operating under the Jani-King System. None of the Advertising Fee is specifically or principally used for advertising that is principally a solicitation for the sale of franchises. In using the Advertising Fee, neither Franchisor, nor Franchisor’s designees are required to make expenditures for Franchisee which are equivalent or proportionate to Franchisee’s payment or to ensure that any particular franchisee benefits directly or *pro rata* from the placement of advertising. Neither Franchisor, nor Franchisor’s designees are required to advertise in the area where you are located.

(2) The Advertising Fee may be used to satisfy any and all costs of maintaining, administering, directing, and preparing advertising (including, without limitation, the cost of preparing and conducting television, radio, internet, website, magazine, and newspaper advertising campaigns; direct mail and outdoor billboard advertising; vehicle decaling; public relations activities; employing advertising agencies to assist therein; travel and associated expenses of personnel dispatched to assist in account startups and account bidding; and costs of our personnel and other departmental costs for advertising that is internally administered or prepared by us). Sums paid by Franchisee relating to the Advertising Fee will also be used to defray any of our administrative costs incurred in activities reasonably related to advertising programs. The Advertising Fee is a payment to us for advertising and related costs, and we do not have any duty to you related to the use of the Advertising Fee.

(3) The Advertising Fee may also be used in our National Vehicle Program (“**NVP**”) which is a voluntary program through which Franchisee can purchase a select number of vehicles from a national vehicle manufacturer. In the event Franchisee participates in the NVP, Franchisee is required to have a decal installed on any vehicle purchased through the NVP. The cost and installation of the vehicle decal will be paid out of the Advertising Fee.

4.6. intentionally left blank

4.7. Franchisee agrees to pay Franchisor technology licensing fee (“**Technology Fee**”) equal to 1% of Franchisee’s Gross Revenue. Franchisee agrees to pay the Technology Fee commencing on the fifth/tenth day of the month and continuing the fifth day of every month thereafter for the remainder of the term. Franchisee agrees that Franchisor, in Franchisor’s sole discretion, may increase the Technology Fee up to 5% of Franchisee’s Gross Revenue.

4.8. Franchisee agrees that Franchisor has the exclusive right to perform all billing and accounting functions for the services provided by Franchisee. Each month, Franchisee agrees to pay Franchisor 7% of Franchisee’s Gross Revenue, as an accounting fee (“**Accounting and Sales Fee**”), to cover Franchisor’s administrative costs and expenses for this service.

4.8.1. Franchisor each month will invoice customers serviced by Franchisee for the services rendered and supplies provided. Each month, after deduction of all appropriate fees and charges including, but not limited to, all royalty fees, Accounting Fees, any note payments, Finder's Fees, advertising fees, transfer fees, Technology Fees, charge-backs on past due invoices, any advances made to Franchisee by Franchisor, Non-Reported Business Fees, or attorneys' fees and court costs incurred by Franchisor in enforcing payment of accounts by customers, Franchisor will issue a report to Franchisee which will provide an accounting of Franchisee's business during the previous month (the "**Franchisee Report**"). On the fifth/tenth day of each month, Franchisor will disburse to Franchisee the amount of money appearing in the "Due Franchisee Column" of the Franchisee Report for the preceding month. Any money not collected in an account for any reason will be charged back to Franchisee. In the event the fifth/tenth day of the month falls on a Saturday, Sunday or recognized holiday, then all such amounts due to Franchisee will be disbursed before the end of the next business day.

4.9. Franchisee agrees to make all payments due Franchisor promptly in accordance with the terms of this Agreement, and recognizes that any failure on the part of the Franchisee to do so will be deemed a material breach of this Agreement, and will give Franchisor the right to terminate this Agreement immediately and retain all sums previously paid to Franchisor by Franchisee.

4.10.1. During the term of this Agreement, Franchisee agrees to maintain and preserve full, complete and accurate books, records, and accounts regarding the Franchised Business.

4.10.2. Upon request by Franchisor, Franchisee will, at Franchisee's sole cost and expense, prepare and submit to Franchisor within 30 days after said request, a complete financial statement for the preceding 12-month period or any other calendar year, or a financial statement compiled and reviewed by a certified accountant or public accounting firm, together with such other information as Franchisor may reasonably require in order for Franchisor to determine that Franchisee is properly reporting and accounting for all Gross Revenue.

4.10.3. Franchisor reserves the right to inspect or examine any and all accounts, books, records, and tax returns (including payroll records) of Franchisee, the Principals, and any Affiliate (as defined below) of Franchisee or the Principals, at any reasonable time, so far as the same pertain to the Franchisee's obligations under this Agreement. Franchisor also has the right, at any time, to have an independent audit made of the books or financial records of Franchisee, the Principals, and any Affiliate of Franchisee or the Principals. Any such inspection, examination, or independent audit will be performed at the cost or expense of Franchisor unless the same is necessitated by the failure of Franchisee to provide the reports requested or to preserve records as provided herein, or unless the inspection, examination or independent audit discloses that any statement or report made by Franchisee is in error to an extent of 5% or more, in which case Franchisee must immediately pay to Franchisor the amount in error and reimburse Franchisor for any and all costs and expenses connected with the inspection or audit (including, without limitation, reasonable accounting and attorneys' fees). Franchisee is solely responsible for keeping accurate, complete and current payroll records. "**Affiliate**" means, at the time of determination: (i) any Person that directly or indirectly through one or more intermediaries controls, is controlled by or under common control with the Person specified; (ii) any director, manager (to the extent the Person is a limited liability company), officer or subsidiary of the Person specified; and (iii) any spouse, parent, child, sibling, mother in law, father in law, son in law, daughter in law, brother in law or sister in law of the Person specified. The term "control" (including, with correlative meaning, the terms "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to elect a majority of the board of directors (or other governing body) or to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise. In any event and without limiting the generality of the foregoing, any Person owning 10% or more of the voting securities of another Person will be deemed to control that Person. "**Person**" means any natural person, corporation, general partnership, limited partnership, limited liability company, proprietorship, joint venture, trust, association, union, entity, or other form of business organization or any governmental entity whatsoever.

4.11. Franchisee agrees to be solely responsible for the services and results of services performed at locations where cleaning and maintenance services are performed by Franchisee, and to hold harmless and indemnify Franchisor from any and all claims arising from actions by Franchisee or Franchisee's employees, agents, or representatives.

4.12. Franchisee agrees to maintain a clean and safe place of business in compliance with OSHA and other governmental and industry standards and to conduct the Franchised Business in a manner that would bring goodwill and public approval to Franchisee and Jani-King.

4.12.1. Franchisee is solely responsible for any leases of real or personal property in connection with the operation of the Franchised Business. Franchisee's office location, furniture, and décor will comply with Franchisor's brand standards. Franchisee must at all times during the term of this Agreement maintain such office and all fixtures, furnishings, signs, and equipment located thereon in good order and condition, and in a manner which will portray the goodwill and a positive image of the Jani-King name and reputation as such may be prescribed by Franchisor from time to time. No other business venture may operate out of the premises utilized by Franchisee for Franchisee's office without the prior written consent of Franchisor.

4.13.1. Franchisee agrees to be solely responsible for and indemnify and hold harmless Franchisor, Jani-King International, Inc., and their officers, directors, and employees for all loss or damage originating from, in connection with, or relating to the operation of the Franchised Business and for all claims or demands for damages to property or for injury or death of persons directly or indirectly resulting from or related to the operation of the Franchised Business. Franchisee also agrees that before Franchisee will be authorized to begin operating its Franchised Business, Franchisee is required to obtain and carry the insurance listed below with the limits listed, naming Franchisor, Jani-King International, Inc., and their officers and directors as Additional Insureds from an insurer carrying an A.M. Best's Rating of A or better. Franchisee must provide Franchisor with proof of such required coverage in the following minimum amounts:

<i>TYPE</i>	<i>LIMITS</i>
Comprehensive General Liability General Aggregate	\$1,000,000 (per occurrence)
Products/Completed Operations	\$ 2,000,000 (Aggregate)
Each Occurrence	\$1,000,000
Personal & Advertising Injury	\$1,000,000
Fire Damage	\$100,000
Premises Medical Payments	\$10,000
General Liability Package Also Includes: Lost Key Coverage	\$100,000
Extended Property Damage	\$1,000,000
Blanket Additional Insured	
Blanket Waiver of Subrogation	
Hired and Non-Owned Automobile Insurance	\$1,000,000 (combined single limit)
Excess or Umbrella Insurance	\$20,000,000 (Aggregate)
Workers' Compensation Part A: Statutory	State Limits

Part B: Employers Liability	\$1,000,000 Each Accident \$1,000,000 Disease – Policy Limit \$1,000,000 Disease – Each Employee
Employee Dishonesty (including Third Party Property)	\$2,000,000
Contractors Pollution Liability	\$3,000,000 Each Loss \$3,000,000 Policy Aggregate \$250,000 Emergency Response Cost

4.13.2. The various limits of the required insurance may be increased or have new types of coverage added as circumstances dictate. Franchisee must provide Franchisor with proof of the required insurance coverage and is required to notify their insurance carrier that the insurance carrier will provide any cancellation notice directly to Franchisor no less than 30 days prior to cancellation.

4.13.3. If Franchisee fails to secure the above listed insurance to the satisfaction of Franchisor, Franchisor may, in addition to other remedies, purchase such insurance for the benefit of Franchisee and seek prompt reimbursement from Franchisee for all premiums and other costs incurred. Franchisee is responsible for all premiums and other costs incurred by Franchisor up to and including the date Franchisor grants Franchisee written approval of Franchisee's insurance. Franchisee agrees to indemnify and hold Franchisor harmless from any claims, loss or damage.

4.13.4. As an alternative to purchasing the above insurance on your own, Franchisee may participate in the BPP to satisfy the majority of the insurance requirements shown above. . Membership in the BPP is restricted to individuals and entities who are engaged in the janitorial industry. Members in the BPP participate in BPP's group insurance policies. BPP's group insurance policies are not individual insurance policies and the policy limits are shared between all BPP members. Insurance provided by the BPP does not include coverage for Workers Compensation, the operation of personal or business use automobiles or Franchisee's equipment, supplies, or real or personal property. Franchisee must still procure Business Automobile Liability, including owned, hired and non-owned automobile insurance at the \$1,000,000 limit of liability, and any other required insurance policies not covered by the BPP.

4.13.5. BPP - Type of Insurance

BBP-TYPE OF INSURANCE	LIMITS
Comprehensive General Liability	\$2,000,000 (General Aggregate) \$2,000,000 (Products/Completed Operations)
Comprehensive General Liability	\$1,000,000 (per Occurrence)
Business Automobile Liability, including owned, hired and non-owned automobile insurance	\$1,000,000 (per Occurrence)
Excess General and Employers Liability Insurance	
Limits	\$10,000,000 (per Occurrence & Aggregate)
Employee Dishonesty/3D Comprehensive Crime	
	\$50,000 (Employee Theft and Forgery) \$25,000 (Theft of Money and Securities)

4.13.6. Participation in the BPP is voluntary, and Franchisee is not obligated or required to participate.

4.13.7. Franchisor will be solely responsible for administering the BPP. The cost of the BPP varies, depending upon the cost of insurance purchased and the amount of insurance premium deductible you pay for insurance claims, if any. The current BPP fee for this region is 4% of your Gross Revenue per month. The cost of the BPP may change occasionally. Franchisor reserves the right to discontinue offering the BPP to Franchisee upon reasonable notice.

4.13.8. In addition to the payment of insurance premiums, participation in the BPP includes non-refundable fees paid to us, as payment for the following services: (1) assistance with risk assessment; (2) management of overall claims handling processes; (3) assistance with compliance of workers' compensation laws; (4) assistance with risk control; (5) assistance with Certificates of Insurance; (6) insurance coverage analysis; (7) assistance with premium audits; (8) general risk management services; (9) periodic safety training; and (10) other regulatory compliance assistance. For these services, you will be required to pay an administration fee which may include a profit to us. We will be solely responsible for administering the BPP.

4.13.9. The fee for the BPP may vary depending on the cost of insurance purchased and the amount of the insurance premium deductible you pay for insurance claims, if any. The current BPP fee is 4% of your franchise's Gross Revenue per month. In addition, you will be responsible for payment of the administration fee which is \$7 per month if your monthly Gross Revenue is less than or equal to \$5,000 and \$14 per month if your monthly Gross Revenue is greater than \$5,001. If you choose to participate in the BPP, we will deduct the BPP fee and the applicable administrative fee each month from your franchise's Gross Revenue. We reserve the right to discontinue offering the BPP to you upon reasonable notice.

4.13.10. Franchisee's participation in the BPP can be terminated if Franchisee: (i) fails to pay any amount owed for Franchisee's participation in the BPP; (ii) fails to report all revenue generated by Franchisee's participation in the janitorial industry; (iii) files a fraudulent insurance claim under any of the insurance coverage obtained by Franchisee relating to the BPP; (iv) has excessive losses; or (v) does not participate in the janitorial industry for twelve (12) consecutive months.

4.13.11. If Franchisee does not participate in the BPP, Franchisee must supply proof of insurance to Franchisor before Franchisee will be authorized to begin operations of the Franchised Business. In the event Franchisee does not purchase the required insurance, Franchisor reserves the right to purchase the required insurance for Franchisee and charge Franchisee for the cost of the insurance. Franchisor may also suspend Franchisee's right to provide service to any Jani-King account until such insurance has been obtained or restored in accordance with the requirements contained herein.

4.14. In connection with Franchisee's agreement to indemnify and hold harmless Franchisor, Jani-King International, Inc., their officers, directors, and employees (the "**Jani-King Parties**") for all loss or damage as set forth in Section 4.13.1 of this Agreement, Franchisee agrees to defend the Jani-King Parties and any of their subsidiaries named in any lawsuit based on such loss or damage and to pay all costs and reasonable attorneys' fees associated with such defense. If any of the Jani-King Parties wishes to retain their own counsel to defend any such action, Franchisee agrees to reimburse the Jani-King Parties for all reasonable costs and legal fees incurred by the Jani-King Parties for such defense. Said reimbursement must be made to Franchisor in a timely manner as such fees are incurred by Franchisor and billed to Franchisee.

4.15. Franchisee represents and warrants that Franchisee is either a corporation or limited liability company (as indicated on Page 1 of this Agreement), duly incorporated or formed, validly existing and in good standing under the laws of Franchisee's state of incorporation or formation (as indicated on Page 1 of this Agreement). Franchisee has all the requisite power and authority to own and operate Franchisee's properties and carry on the Franchised Business and is duly licensed and qualified to transact business as a foreign entity in all jurisdictions in which the nature of the business conducted by it makes such qualification as a foreign entity necessary.

4.16. Prior to beginning operation of the franchise and before the Initial Offering Period will begin, Franchisee must submit proof of registration with all taxing authorities to which Franchisee will be responsible for paying taxes, including submitting a Federal tax identification number, and any state and municipal taxing identification numbers. Franchisee agrees to pay all personal property, sales, excise, use and other taxes, regardless of type or nature, which may be imposed, levied, assessed or charged, on, against or in connection with any services sold or furnished hereunder, whether from any state, municipality, county or parish, or other governmental unit or agency, which may have jurisdiction over such products, service and equipment. Franchisee must also pay all personnel performing services for Franchisee in full compliance with all Federal, state, local, and municipal laws, statutes, and regulations. Failure to pay taxes will result in termination of this Agreement.

4.17. Prior to beginning operation of the franchise and before the Initial Offering Period will begin, Franchisee must submit proof of a valid and active business checking account in Franchisee's name, such account being with a reputable banking institution. Franchisee agrees to timely pay all debts, obligations, and encumbrances that might arise as a result of its operation of the Franchised Business.

4.18. Franchisee agrees to be solely responsible for the services, and results of such services, performed at locations where cleaning and/or maintenance services are performed by Franchisee and Franchisee's representatives. Franchisee agrees to be solely responsible for providing all labor, materials, tools, and supplies necessary to provide the service to such premises. Franchisee is solely responsible for choosing the times, manner, means, and methods of providing the services in conjunction with the instructions of the customer and in accordance with the terms of the contract under which the services are provided. All such services will meet the customer's requirements and Jani-King's brand standards.

The following procedures apply if any contract we previously offered the right to you to provide services as part of the Initial Business requests a transfer to another franchisee or cancels the cleaning contract:

(1) If an account cancels due to non-performance, theft, failure by representatives of Franchisee to service the account to the approval of the customer, failure by Franchisee to maintain good customer relations, or failure by Franchisee to comply with the brand standards in the Manual, Franchisee will not be offered the right to service an additional account to replace the cancelled account.

(2) If an account requests a transfer to a new franchisee due to non-performance, theft, failure by Franchisee to service the account to the approval of the customer, failure by Franchisee to maintain good customer relations, or failure by Franchisee to comply with the brand standards in the Manual, the contract for said account will automatically revert to Franchisor to be offered to another franchisee and Franchisee will not be offered the right to service an additional account to replace the transferred account.

(3) If an account cancels at no fault of the actions of Franchisee and before Franchisee has serviced the account for 12 full months, Franchisee will be offered the right to provide service to one or more accounts with cumulative gross monthly billings equal to at least the gross monthly billing of the cancelled account within a reasonable period of time at no additional cost to Franchisee. This provision applies until the cumulative time Franchisee has provided service to the original account and all replacement account(s) equals 12 months. If any replacement account or combination of accounts has a greater gross monthly billing than the cancelled account being replaced, the amount of gross monthly billing in excess of the cancelled account will be applied to the obligation of other Initial Business,

or if the Initial Business obligation has been fulfilled, Finder's Fees will be charged. Franchisor is not otherwise obligated to replace the accounts that are serviced by Franchisee if the account(s) cancel before the full term of the account.

EXAMPLE: An account with a gross monthly billing of \$1,000 cancels after seven months through no fault of Franchisee. Franchisor will replace the account with one or more accounts having cumulative gross monthly billing of at least \$1,000 per month. If any of the replacement accounts also happen to cancel at no fault of Franchisee at any time during the next five months you service the account(s), Franchisor will replace the replacement account(s) with other account(s). If the cumulative gross monthly billings of the replacement accounts exceed \$1,000, the gross monthly billing in excess of \$1,000 would apply against other Initial Business obligation or Finder's Fees will be charged.

4.19.1. Franchisee is solely responsible for ensuring that its representatives are in uniforms that comply with Franchisor's brand standards, including that said uniforms are approved, neat, and clean at any time Franchisee's representatives are performing services at a customer's facility. A personal identifying name tag is considered a part of the uniform and is required for compliance with Franchisor's brand standards.

4.19.2. To protect the reputation of the Jani-King name and the Proprietary Marks, Franchisor may inspect any premises or communicate with any customers serviced by Franchisee from time to time to ensure that the Franchisee meets the customer's requirements and Jani-King's brand standards.

4.19.3. Franchisee must cooperate fully with Franchisor, and pay an hourly rate ("**Service Fee**"), plus expenses and travel time, on each occasion Franchisor has to dispatch Franchisor's staff or another franchisee to an account in order to correct a deficiency in satisfying the customer's requirement or complying with the brand standards of Jani-King. The Service Fee charged is currently \$50 per hour. This fee may be increased at the sole discretion of Franchisor who will provide notice to Franchisee before such fee increase. In order to promote full compliance with the customer's requirement and all Jani-King brand standards, a Complaint Fee may also be charged to Franchisee as provided in Section 4.19.5.

4.19.4. Franchisee acknowledges that responding to customer demands, complaints, and emergencies is important for protecting customer goodwill toward the Jani-King name, the System, and Proprietary Marks. Franchisor may establish systems for customers to submit demands, complaints, and emergency communications to Franchisee through Franchisor's system. Franchisee must address all customer demands, complaints, and emergencies in a timely and diligent manner. Franchisee will cooperate fully with Franchisor in investigating and resolving the demand, complaint, or emergency, and Franchisee will confirm resolution of the matter to Franchisor.

Franchisor can elect to dispatch another franchisee to correct deficiencies in satisfying a customer's requirements or complying with Jani-King's brand standards if Franchisor is not able to reach the Franchisee or the Franchisee is not available for an immediate visit or performance of services. Further, Franchisor can elect to dispatch Franchisor's own staff to the account and correct all deficiencies in performance and Franchisee will be assessed the Service Fee, plus expenses, for the franchisee's and Franchisor's time and effort to satisfy the customer's requirements or comply with Jani-King's brand standards. Notwithstanding the above, Franchisor reserves the right to dispatch another franchisee to the customer without contacting, or attempting to contact, Franchisee if Franchisor determines, in Franchisor's sole reasonable discretion, that the customer's premises has an emergency requiring immediate attention.

4.19.5. Franchisee will be charged a \$50.00 complaint fee ("**Complaint Fee**") if there is a customer complaint, demand, or emergency which requires Franchisor or another franchisee to respond to or service the customer under the following circumstances: (1) Franchisee's failure to respond to the customer in a timely or diligent manner; (2) Franchisee's unavailability to provide immediate service to the customer; (3) Franchisee's failure to cooperate fully with Franchisor in investigating or resolving the matter; (4) Franchisee's failure to timely

and diligently respond to Franchisor's efforts to contact Franchisee; or (5) if Franchisee was notified of the complaint, demand, or emergency and, after two hours following the opening of the customer's business the following day, the deficiency in satisfying the customer's requirements or complying with Jani-King's brand standards has not been corrected to the satisfaction of the customer.

"Service" or "respond to" the customer in this case means communicating with the customer to determine the nature of the complaint, demand, or emergency, and what needs to be done to resolve the situation, and to provide the customer relations necessary to try to protect the account from cancellation or damages to Jani-King's goodwill and does not mean providing cleaning or maintenance services to the customer to resolve a complaint.

4.19.6. The \$50.00 Complaint Fee, plus the Service Fee and expenses, will be charged to the Franchisee responsible for the complaint, demand, or emergency even if the account must be transferred to save the account or if the account terminates for non-performance. The fees will be payable in the month they are incurred.

4.19.7. If Franchisee fails to comply with any provision of this Agreement, customer requirement, or Jani-King's brand standards, pursuant to the spirit and intent of this Agreement, and such deficiency continues for 72 hours after Franchisor has given notice to the Franchisee of non-compliance, Franchisor may exercise its right to suspend the authority of Franchisee to perform services for any or all accounts serviced by Franchisee, until such time as Franchisor is satisfied that Franchisee has complied with the provisions, or, at the option of Franchisor, to transfer the right to provide service to the account to another Franchisee, without notice or delay

4.19.8. Franchisor may also exercise the option to transfer Franchisee's right to provide service to an account immediately upon receiving a request for transfer or cancellation from the customer, or if Franchisee provides any services to any customer and does not report and include such services in their Gross Revenue.

4.19.9. Franchisee will waive any and all payments for services which may become due and payable after Franchisor has exercised the option to transfer an account under any of the Sections 4.19.1 through 4.19.8, and Franchisee will not be entitled to any refund, rebate, or reduction of any fees previously paid or pledged in connection with that customer's contract. If Franchisor does not exercise any option for any contract to revert hereunder, either in part or in full, with regard to any deficiency or default, the election not to exercise any option will not constitute a waiver of such rights with regard to any subsequent deficiency or default.

4.20. At Franchisor's request, Franchisee will provide to Franchisor a list of all customers to which Franchisee is providing service and copies of the contracts under which service is being performed. Franchisee is prohibited, without Franchisor's prior written approval, from disclosing to anyone other than Franchisee's employees the names of the customers or any list of customers to whom Franchisee is providing service.

4.21.1. In the event Franchisee voluntarily wishes to discontinue providing service to an account, Franchisee must notify Franchisor, in writing. If the account's monthly billing amount is less than \$10,000, the written request must be made at least 10 days prior to the desired date of transfer. If the account's monthly billing is \$10,000 or more, the written request must be made at least 30 days prior to the desired date of transfer. Upon Franchisor's receipt of Franchisee's request to discontinue providing service or in the event Franchisee fails to provide service to an account for a period of two days, for any reason, Franchisor may offer the right to provide service to another franchisee. In either event, Franchisee agrees that any and all payments (regardless of when services were rendered) made after Franchisee no longer provided services to the account will be waived by Franchisee, and Franchisee will not be entitled to any refund or rebate of any fees paid or pledged previously to Franchisor for such business.

4.21.2. Franchisee may solicit potential customers to provide cleaning and maintenance services in the Territory through its Franchised Business, but all contracts for the provision of services by Franchisee must be drafted and/or approved by Franchisor. Franchisor reserves the right, at Franchisor's sole discretion, to suspend or

cancel service of any contract serviced by Franchisee in the event the contract becomes delinquent in payment for services.

4.22. Franchisor reserves the right to establish brand standards pertaining to the operation of Franchisee's Franchised Business or this Agreement. Franchisor also reserves the right to provide guidelines, recommendations, and advice for the Franchisee to adopt, modify, or reject in Franchisee's operation of the Franchised Business. Franchisor will keep a current, updated Manual of all such brand standards and guidelines, recommendations, and advice at Franchisor's corporate office. If brand standards kept by Franchisor differ from those kept by Franchisee, the brand standards maintained in Franchisor's corporate office will be controlling. Franchisor will lend Franchisee one copy of the Manual. The Manual may take the form of one or more of the following: one or more loose-leaf or bound volumes; bulletins; notices; videos; CD-ROMS and/or other electronic media; online postings; e-mail and/or electronic communications; facsimiles; or, any other medium capable of conveying the Manual's contents. The Manual will, among other things, set forth Franchisor's brand standards and guidelines, recommendations, and advice for operating your Franchised Business. Franchisee agrees to be bound by the brand standards upon receipt of same by Franchisee, and to operate its franchise in strict compliance with brand standards in the Manual. Franchisor has the right to prescribe additions to, deletions from or revisions of the Manual (the "**Supplements to the Manual**"), all of which will be considered a part of the Manual. All references to the Manual in this Agreement will include the Supplements to the Manual. Supplements to the brand standards in the Manual will become binding on Franchisee as if originally set forth in the Manual, upon being delivered to Franchisee. The Manual and any Supplements to the Manual are material in that they will affect the operation of the Franchised Business, but they will not conflict with or materially alter Franchisee's rights and obligations under this Agreement.

4.23. Franchisee acknowledges that the System must continue to evolve in order to reflect the changing market and to meet new and changing customer demands, and that accordingly, variations and additions to the System and brand standards may be required from time to time in order to preserve and enhance the public image of the Jani-King name and Proprietary Marks. Accordingly, Franchisee agrees that Franchisor may, from time to time, hereafter or otherwise, change the System and brand standards, including, without limitation, the adoption and use of new or modified Proprietary Marks, Confidential Information, Products, and Services; and Franchisee agrees to be bound by these changes.

Franchisee agrees to promptly comply with all such additions, modifications and changes at Franchisee's sole cost and expense.

4.24. Franchisee agrees that if Franchisee develops any new concept, process or improvement in the System or the Confidential Information, Franchisee will promptly notify Franchisor and provide Franchisor with all necessary information concerning same, without compensation. Franchisee acknowledges that any such concept, process or improvement will become the property of Franchisor, and Franchisor may utilize or disclose such information to other franchisees as Franchisor determines to be appropriate.

4.25. Franchisee agrees to maintain a valid and operational email address at which Franchisee may receive communications from Franchisor. Franchisee agrees to update Franchisor as to any changes to such email address.

4.26. At any and all times that Franchisee is actively servicing customers, Franchisee is solely responsible for employing one or more employees, not including any Principals, in connection with the provision of commercial cleaning services by Franchisee to customers, as contemplated in this Franchise Agreement. Franchisee is solely responsible for maintaining accurate, complete and current payroll records, and to abiding by all applicable wage and hour laws, rules and regulations, and any other federal, state or local laws applicable to Franchisee's relationship with its employees.

4.27. Upon termination or non-renewal of this Agreement for any reason, Franchisee must immediately and permanently cease all use of the Proprietary Marks, Confidential Information, and all aspects of the System, and

cease indicating verbally or in writing to customers and any other franchisee that Franchisee is a Jani-King franchisee or associated with Jani-King. Franchisee must immediately return to Jani-King all advertising matter, products, and writings that contain Jani-King's Proprietary Marks, trade name, logo or copyright, as well as any Confidential Information. All such lists, files, and the information contained therein will remain the exclusive property of Franchisor.

4.28. If this Agreement is terminated or not renewed for any reason, Franchisee must surrender to Franchisor all property belonging to Franchisor. Franchisee must also pay, in full, all amounts owed to Franchisor at the date of termination or non-renewal and surrender all equipment belonging to Jani-King. If Franchisee has proclaimed to have terminated or not renewed the Agreement and refused to surrender the items described herein, Franchisee agrees to pay Franchisor \$500.00 per day for each day that it has not complied with the foregoing paragraph. The parties acknowledge that damages for Franchisee's failure to adhere to the foregoing paragraph are difficult to ascertain and therefore agree that this amount will be payable as liquidated damages and not as a penalty.

4.29. If this Agreement is terminated or not renewed, Franchisee may sell its customer contracts to Franchisor or another franchisee, provided it receives Franchisor's prior written consent, which consent will not be unreasonably withheld, Franchisee will not be permitted to sell its customer contracts if termination is the result of Franchisee's Event of Default. Franchisee will not be permitted to sell its customer contracts unless Franchisee has fully-paid its financial obligations to Franchisor or Franchisor is satisfied that Franchisee will pay the amounts due to Franchisor from the proceeds of the sale. The amount paid to Franchisee from any sale of customer contracts, whether to another franchisee or Franchisor, will first be applied to satisfy all financial obligations owed by Franchisee to Franchisor. As a condition precedent to Franchisee's receipt of payment from any sale, Franchisee will assist with the transition of any customers to another franchisee and execute a general release in favor of Franchisor. If Franchisee proposes to sell the customer contracts to another franchisee, the proposed sale is subject to the transfer provisions in Section 10 and right of first refusal provisions in Section 11 of this Agreement. Upon termination or non-renewal, Franchisee forfeits all rights to its customers and customer contracts, and any customer contracts not sold by Franchisee will revert to Franchisor.

SECTION 5

NONCOMPETITION AND CONFIDENTIALITY

5.1. Franchisor agrees to provide Franchisee with valuable initial and ongoing specialized training, the Confidential Information, and the Proprietary Marks. The initial specialized training provides training in Jani-King brand standards and its guidelines, recommendations, and advice related to operation of the Franchised Business. The ongoing specialized training includes updated information of the type provided in the initial training, as well as additional training and information compiled and developed over time as the System and brand standards evolve. Franchisee acknowledges that, whether the initial and ongoing specialized training, or Confidential Information is denoted, labeled, or marked as confidential, Franchisor considers such training and Confidential Information to be, and treats it as, confidential.

5.2. In consideration for the valuable initial and ongoing specialized training, and Confidential Information described above, Franchisee and all the Principals agree as follows:

5.2.1. Franchisee, the Principals, and Franchisee's employees will not at any time, either during the term of this Agreement or after the termination of this Agreement, communicate or disclose to any person or entity (other than Franchisor or a person or entity expressly designated by Franchisor in writing), or use outside the scope of the Franchised Business governed by this Agreement, any of the initial or ongoing specialized training or Confidential Information acquired by Franchisee, the Principals, or Franchisee's employees.

5.2.2. Franchisee and the Principals agree to use all reasonable efforts to maintain as confidential the initial and ongoing, specialized training and Confidential Information. Accordingly, Franchisee and the Principals agree that each of Franchisee, the Principals, and Franchisee's employees may not duplicate, copy, record, or otherwise reproduce, in whole or in part, materials containing Confidential Information and/or information imparted through initial and/or ongoing specialized training, except as expressly authorized in writing by Franchisor.

5.2.3. Franchisee and the Principals agree that during the term of this Agreement and for a continuous uninterrupted period of one year thereafter (unless otherwise specified in this Section 5) commencing upon expiration or termination of this Agreement, regardless of the cause for termination, except as otherwise approved in writing by Franchisor, Franchisee, the Principals, and Franchisee's employees may not, directly or indirectly, for itself/themselves or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or other business entity:

(a) Divert or attempt to divert to any competitor, by direct or indirect inducement or otherwise, any business or customer of the Franchised Business hereunder or any other Jani-King franchisee;

(b) Do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with Jani-King's trademarks or trade names, or the Jani-King System;

(c) Employ, seek to employ, or otherwise directly or indirectly induce to leave his/her employment any person who is employed by or has been employed within the previous 12 months by Franchisor, or by any of Franchisor's affiliated companies;

(d) Own, maintain, operate, engage in, or have any interest in any business which is commercial cleaning industry or commercial cleaning franchising industry (hereinafter referred to as "**Competing Business**"), which Competing Business operates, solicits business, or is intended to operate or solicit business within the Territory of this Agreement.

5.3. The Parties agree that each of the foregoing covenants will be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this section is held unreasonable or unenforceable by a court or agency having valid jurisdiction over any final decision to which Franchisor is a party that is not appealed, Franchisee and the Principals expressly agree that Franchisee, the Principals, and Franchisee's employees will be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section.

5.4. Franchisee understands and acknowledges that Franchisor will have the right, in Franchisor's sole discretion, to reduce the scope of any covenant set forth in this Section, or any portion thereof, without Franchisee's consent, effective immediately upon written notice to Franchisee; and Franchisee agrees that Franchisee must comply with any covenant as so modified, which modified covenant will be fully enforceable notwithstanding the provisions of any other Sections hereof.

5.5. Franchisee acknowledges that any materials and information provided to Franchisee, the Principals, or Franchisee's employees by Franchisor will at all times be and remain the property of Franchisor. Franchisee also acknowledges that any materials, concept, process, or improvement developed in the operation or promotion of the business governed by this Agreement by Franchisee, the Principals, or Franchisee's employees will at all times be and remain the property of Franchisor. Franchisee agrees to give Franchisor notice of and all necessary information related to such development(s). Upon sale, assignment, termination, expiration, or transfer of this Agreement, Franchisee will deliver to Franchisor all property belonging to Franchisor (including, but not limited to, the materials described above) and/or relating to Franchisor's business. In addition, upon sale, assignment, termination, expiration, or transfer to this Agreement, Franchisee agrees to provide Franchisor, with a list of all customers that

Franchisee is servicing or has serviced on or at any time during the 12 months preceding the date of such sale, assignment, termination, expiration, or transfer, and a copy of any contracts under which the service is or was provided.

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

5.7. Franchisee acknowledges that a violation of any of the terms of this Section would result in irreparable injury to Franchisor for which no adequate remedy at law may be available. Franchisee acknowledges that the initial and ongoing specialized training, and Confidential Information described herein have been developed and compiled through Jani-King's time and effort in the franchising industry. Accordingly, Franchisee acknowledges that, in addition to Franchisor's remedies at law, Franchisor may seek and obtain preliminary and permanent injunctive relief restraining the breach or threatened breach by Franchisee; and Franchisee consents to the issuance of an injunction prohibiting any conduct by Franchisee in violation of this Section.

5.8. Franchisee is solely responsible for obtaining execution of covenants similar to those set forth in this Section (including covenants applicable upon and after the termination of a person's relationship with Franchisee) from any or all Principals and employees of Franchisee who have received or will receive initial and/or ongoing specialized training, or Confidential Information directly or indirectly from Franchisor. Every covenant required by this paragraph must be in a form satisfactory to Franchisor, including, without limitation, specific and express identification of Franchisor as a third-party beneficiary of such covenants with the independent right to enforce them. Failure by Franchisee to obtain execution of a covenant required herein will constitute an Event of Default (as defined in Section 8.3) under the terms of this Agreement.

SECTION 6

FRANCHISOR PLEDGES

Franchisor pledges to do the following:

6.1.1. To offer Franchisee the opportunity to provide service to Franchisor's contracts located at any location, or multiple locations, within the Territory, as defined herein, which have minimum cumulative gross monthly billings in an amount at least equal to the Initial Business. The contracts under which Franchisee will provide service are and will remain the property of Franchisor. The right to provide service to the Initial Business will be offered within the Initial Offering Period. The Initial Offering Period will begin on the date after:

- (i) all required equipment and supplies have been obtained by Franchisee,
- (ii) Franchisee has successfully completed training as indicated by Franchisee's signing and returning to Franchisor the Acknowledgment of Completion of Training,
- (iii) Franchisee's delivery to Franchisor of written proof that Franchisee has obtained the insurance required under this Agreement,
- (iv) Franchisee's delivery of Articles of Incorporation or Formation and a certificate of good standing from the jurisdiction in which Franchisee was formed,
- (v) Franchisee's delivery of a properly completed Internal Revenue Service Form W-9 Request for Taxpayer Identification Number certifying the Taxpayer Identification Number (Employer Identification Number) assigned by the Internal Revenue Service that will be used for operation of Franchisee's business,
- (vi) Franchisee's delivery of proof of Franchisee's registration with all state and local tax authorities to

- which Franchisee will be responsible for paying taxes and any other governmental regulatory agencies that require registration of the Franchisee's business activities or business activities in general, including any identification numbers assigned to Franchisee's business by such tax authorities and governmental agencies within the Territory; and
- (vii) Franchisee's delivery of proof of a valid and active business checking account held by Franchisee.

Notwithstanding items (i) through (vii) above, the Initial Offering Period may begin at a later date if requested by Franchisee and agreed to by Franchisor, or as provided below. As a condition to Franchisee being eligible to provide service under the Jani-King name to certain customers and to protect the reputation and goodwill of the Jani-King name, Proprietary Marks, and the System, Franchisee and Franchisee's employees may be required to undergo background checks.

6.1.2. The actual time to secure and offer, as described above, the Initial Business to the Franchisee may, at Franchisor's sole discretion, be automatically extended under the following conditions: (1) if Franchisee requests a delay in the offering of the Initial Business; (2) if Franchisee is in default under the terms and conditions of this Agreement or any other agreements between Franchisee and Franchisor; or (3) if any of the Initial Business previously provided to Franchisee requests a transfer to another Franchisee or requests to be cancelled due to non-performance in which case Franchisee is required to repeat and complete to Franchisor's satisfaction all training classes required by Franchisor. In the event of the occurrence of any of the above conditions, Franchisor will have the remainder of the Initial Offering Period or a minimum of 120 days, whichever is longer, from the date: (1) Franchisee notifies Franchisor that they are ready to accept the right to service other business and has provided any documentation required under this Agreement or under the Manual; (2) Franchisee has cured any default; or (3) the acknowledgment of retraining is signed, to offer the balance of Initial Business to Franchisee. Franchisor does not guaranty that the Initial Business will reach or remain at the level stated on the Franchise Summary throughout the term of this Agreement.

6.2. To provide Franchisee with the Office Supply and Advertising Package outlined in Schedule One of this Agreement.

6.3. To make available to Franchisee applicable confidential manuals, training aids, and other pertinent information concerning Jani-King brand standards and guidelines, recommendations, and advice.

6.4. To provide an initial training program to include Jani-King brand standards and guidelines, recommendations, and advice related to operation of the Franchised Business. Franchisee agrees to successfully complete the training within six months after the date of this Agreement. Franchisee further agrees that some or all of the initial training program may take place at Franchisor's principal place of business in Addison, Texas.

6.5. To offer Franchisee the right to provide service under the Jani-King name to customers until Franchisee has been offered the right to provide service to customers with cumulative gross monthly billings in an amount equal to or greater than the Initial Business.

6.6. To provide additional training and support for Franchisee at reasonable rates as established by Jani-King, currently at a rate of \$50.00 per hour, plus expenses.

6.7. To allow Franchisee the non-exclusive right to use the Jani-King marks, insignia, logo, design and color scheme in the Territory subject to limitations and restrictions herein, and to allow Franchisee to utilize the processes, methods, materials, equipment, and promotional plans developed by Jani-King.

6.8. At Franchisor's discretion and at a reasonable cost, to make promotional materials, sales and service manuals, equipment, and other materials relevant to the operation of a Jani-King franchise available for loan to and use by Franchisee.

SECTION 7

ADDITIONAL SERVICES

7.1. There are no additional services provided by Franchisor to Franchisee except as explicitly set out in this Agreement.

SECTION 8

DEFAULT AND TERMINATION

8.1. Right to Terminate Immediately. Franchisor will have the right, at its option, to terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure any default, effective immediately upon written notice to Franchisee, either by mailing or hand delivery, upon the occurrence of any of the following events (each of which constitutes an “*Event of Default*”):

- (a) If any of the Principals is convicted of, pleads guilty or no contest to, pleas down to a lesser crime, or receives deferred adjudication for a felony, a crime involving theft, a crime involving moral turpitude, or any other crime or offense that is reasonably likely, in the sole opinion of Franchisor, to adversely affect the System, any Jani-King trademarks, trade names, or the goodwill associated therewith or Franchisor’s interest therein.
- (b) If Franchisee or any of the Principals discloses or divulges the contents of any Confidential Information, or any other trade secrets or confidential information provided to Franchisee by Franchisor in violation of the terms and conditions of this Agreement.
- (c) If Franchisee abandons the Franchised Business or otherwise forfeits the right to do or transact business in the Territory where the Franchised Business is located.
- (d) If Franchisee or any of the Principals purport to transfer any rights or obligations under this Agreement or any customer contract to any third party without the Franchisor’s prior written consent.
- (e) If Franchisee or any of the Principals makes any material misrepresentations or untrue or false statements on the franchise application or in other correspondence relating to the acquisition of the Franchised Business.
- (f) If the Franchisee has three or more Events of Default within a 12-month period, whether corrected after notice.
- (g) If Franchisee is declared insolvent or bankrupt, or makes any assignment or trust mortgage for the benefit of creditors, or if a receiver, guardian, conservator, trustee in bankruptcy or similar officer is appointed to take charge of all or a part of Franchisee’s property by a court of competent jurisdiction. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A., Sec. 101 et seq.)

8.2. Right to Terminate Following 24-Hour Cure Period. Franchisee’s conduct that reflects materially and unfavorably on the reputation of the Franchised Business or on the Jani-King name, the System, Proprietary Marks, or the associated goodwill and reputation thereof will constitute an Event of Default. Franchisor will have the right, at its option, to terminate this Agreement and all rights granted hereunder immediately for such Event of Default if Franchisee fails to cure the default to Franchisor’s satisfaction within 24 hours of receiving written notice thereof.

8.3. Right to Terminate Following 30-Day Cure Period. Franchisee's failure to comply with any provision of this Agreement, the brand standards in the Manual, or any other agreement between Franchisor and Franchisee will constitute an Event of Default. If Franchisee fails to cure such Event of Default to the satisfaction of the Franchisor within 30 days after written notice of default has been given thereof, Franchisor may, at its option, terminate this Agreement and all rights granted hereunder effective immediately upon Franchisee's receipt of a written notice of termination. Events of Default by the Franchisee under this Section 8.3 include, without limitation, the occurrence of any of the following events:

- (a) If Franchisee fails, refuses, or neglects promptly to pay any monies owing to Franchisor, or its subsidiaries or affiliates when due, or to submit the financial information required by Franchisor under this Agreement, or makes any false statements in connection therewith.
- (b) If Franchisee (i) enters a contract with a customer without obtaining Franchisor's prior approval, (ii) takes payment directly from a customer, (iii) in any manner circumvents Franchisor's exclusive right to perform billing and accounting services for a customer, or (iv) otherwise does business with a customer without informing Franchisor of the terms of the customer contract or payment obligations of the customer.
- (c) If Franchisee fails to maintain the brand standards that Franchisor requires in this Agreement or any other brand standards contained in Jani-King manuals, including the Manual.
- (d) If Franchisee fails, refuses, or neglects to obtain the Franchisor's prior written approval or consent as required by this Agreement, other than as provided in Section 8.1(d).
- (e) If Franchisee or any of the Principals misuses or makes any unauthorized use of the Jani-King proprietary trademarks, trade names, service marks or other materials, including any forms of advertising, or otherwise materially impairs the goodwill associated with the Jani-King name or Franchisor's rights.
- (f) If Franchisee is declared insolvent or bankrupt, or makes any assignment or trust mortgage for the benefit of creditors, or if a receiver, guardian, conservator, trustee in bankruptcy or similar officer is appointed to take charge of all or a part of Franchisee's property by a court of competent jurisdiction. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A., Sec. 101 et seq.)
- (g) If Franchisee fails, refuses, or neglects to comply with the requirements set forth in Section 4.10.2.
- (h) If Franchisee ceases to be duly organized, validly existing, and in good standing under the laws of the state of Franchisee's formation or incorporation or to be duly licensed and qualified to transact business as a foreign entity in all jurisdictions in which the nature of the business conducted by it makes such qualification as a foreign entity necessary.
- (i) Any other event specifically designated in this Agreement as an Event of Default.

8.4. The termination of this Agreement will be without prejudice to any remedy or cause of action which Jani-King may have against Franchisee for the recovery of any monies due Jani-King or any equipment or property of Jani-King, or to any other right of Jani-King to recover damages for any breach hereof.

8.5. If the provisions of this Agreement provide for periods of notice less than those required by applicable state law, or provide for termination, cancellation, non-renewal or the like other than in accordance with applicable state law, Section 12.2.2. of this Agreement will apply.

SECTION 9

TERM AND EXTENSION

9.1. Subject to Section 9.2 herein, this Agreement and the franchise and license granted hereunder, unless sooner terminated, will be and remain in full force and effect for a period of 10 years from and after the Effective Date of this Agreement which is the date identified in the Franchise Summary. This Agreement will expire 10 years after the Effective Date unless extended pursuant to the terms contained herein.

9.2. Provided Franchisee is not in default of this Agreement and provided Franchisee has delivered to Franchisor the required notice, Franchisee will have the option to renew this Agreement for an additional period of 10 years and for two subsequent, additional 10-year periods following the first extension (a total of 40 years when initial periods and renewal terms are combined). Prior to the expiration of each 10-year term, Franchisee must notify Franchisor, in writing, of Franchisee's intention to renew the Agreement not less than seven months, nor more than 12 months prior to the end of the then current term.

9.3. As a condition to and at the time of any renewal, Franchisee is required to execute a general release, in a form prescribed by Franchisor, of any and all claims against Franchisor and Franchisor's subsidiaries, and their respective officers, directors, agents, and employees in their corporate and individual capacities, including without limitation, claims arising under this Agreement and any federal, state and local laws, rules, and ordinances.

9.4. As a further condition to and at the time of any renewal, Franchisee agrees to execute Franchisor's then current franchise agreement being used by Franchisor, which may differ substantially from the agreement under which the Franchisee has operated, and any other ancillary agreements and documents as Franchisor may require. Franchisee understands that the most current, executed agreement between Franchisee and Franchisor will govern relations between Franchisor and Franchisee for the following 10 years. However, no additional Initial Franchise Fee or renewal fee must be paid by Franchisee at the time of renewal, nor will Franchisor be obligated to provide any additional Initial Business or training.

SECTION 10

TRANSFER

10.1. This Agreement will inure to the benefit of the successors and assigns of Franchisee. The interests of Franchisee in this Agreement are personal and may not be sold, assigned, transferred, shared or divided in any manner, by operation of law or otherwise (each, a "***Transfer***"), by Franchisee without the written consent of Franchisor, which consent will not be unreasonably withheld. Franchisee will provide to Franchisor prior to the Transfer, a copy of any written agreements relating to the proposed Transfer, or any additional information which Franchisor may require in order to determine if Franchisor will grant Franchisor's consent to the proposed Transfer. For purposes of this Agreement, any change in stock ownership, voting or other control whatsoever of a corporation or other entity which acts as a Franchisee under this Agreement constitutes a Transfer. For all purposes herein, a beneficiary of a trust which owns a beneficial interest in a Franchisee which is an entity will be deemed to have an interest in this Agreement. Provided further, for all purposes herein, if a trust owns a beneficial interest in Franchisee which is an entity, any change in the beneficial interest of a beneficiary will constitute a Transfer. Any transaction or series of transactions which would have such an effect must be approved by Franchisor on the same basis as any other Transfer as set forth herein. Franchisee hereby covenants and warrants (i) that Franchisee's certificate or articles of incorporation or formation, corporate charter, by-laws, LLC agreement, and/or company agreement limit Transfers as described in this Section 10, and (ii) if Franchisee is a corporation, that each security will bear a legend (in a form to which Franchisor consents) indicating that any Transfer is subject to this Section 10.

10.2. In the event Franchisee seeks to transfer a single customer contract to another franchisee, rather than the Franchised Business as a whole, Franchisee must obtain Franchisor's prior written consent before transferring any single customer contract to another franchisee, which consent will not be unreasonably withheld. Franchisee may not transfer a customer contract to a Competing Business outside the Jani-King franchise system.

10.3. Franchisee agrees to pay to Franchisor the lesser of \$2,000.00 or 10% of the sales price or exchanged value as a transfer fee (the "**Transfer Fee**"). This Transfer Fee must be paid before Franchisor will grant consent to the Transfer. If no monetary consideration or other exchange of value is made for the Transfer of a franchise, no Transfer Fee will be charged for a transfer to: (1) any party currently holding an interest in the franchise at the time of the Transfer; (2) a controlled corporation in which the current owners of the franchise retain 90% percent or greater of the outstanding shares of stock; or (3) if the Transfer is to an immediate family member of the current owner (for the purposes of this Section 10.2, family members include Franchisee's mother, father, brother, sister, and children only), whether an *inter vivos* Transfer or upon death. An administrative fee will be charged to cover necessary and reasonable costs and preparation of the documents associated with the Transfer if no Transfer Fee is assessed. The current administrative fee is \$250.00, but may be increased by Franchisor in the future.

10.4. Prior to the Transfer of the Franchised Business or a single customer contract, Franchisee will provide to Franchisor a copy of any written agreements relating to the proposed Transfer or any additional information which Franchisor may require in order to determine if Franchisor will grant consent to the proposed Transfer. It is agreed that consent for Transfer will be granted only when: (a) all obligations under the terms of this Agreement have been fulfilled, (b) all money owed by Franchisee to Franchisor and Franchisor's affiliates have been paid in full, (c) the purchaser of the franchise agrees to undergo and successfully completes the training required of a new Jani-King franchisee and (d) the purchaser of the franchise executes Franchisor's then current franchise agreement which may differ substantially from this Agreement. Franchisee agrees to continue providing service to all of the Franchisor's contracts to which Franchisee is providing service at the time of the proposed Transfer, until items (a) through (d) above are complete and such Transfer is consummated.

10.5. Franchisee and its Principals also agree to provide, as a condition of Franchisor's consent to the Transfer of the Franchised Business, a personal covenant to the purchaser not to seek to divert business from Franchisor's franchisees for a period of two years after the Transfer. Franchisee and its Principals also agree to provide, as a condition of Franchisor's consent to the Transfer of a single customer contract, a personal covenant to the purchaser not to seek to divert business from that customer for a period of two years after the Transfer. The transferor must also execute a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor, Franchisor's parent corporation and affiliated corporations, and the officers, directors, shareholders, and employees of Franchisor and each parent and affiliate corporation in their corporate and individual capacities including, without limitation, claims arising under this Agreement and federal, state, and local laws, rules, and ordinances, subject, however, to the provisions set forth in Section 9.3 relating to general releases and state law.

10.6. This Agreement is fully assignable by Franchisor and will inure to the benefit of any assignee or other legal successor to the interest of Franchisor.

SECTION 11

RIGHT OF FIRST REFUSAL

11.1. In the event Franchisee receives a bona fide, arms-length offer to purchase Franchisee's interest in this Agreement (or in the business conducted hereunder) or a customer contract from any third party, or in the event Franchisee proposes to convert, assign, or otherwise transfer Franchisee's interest in this Agreement (or in the business conducted hereunder) or a customer contract, in whole or in part, to any third party, Franchisee hereby agrees to offer to Franchisor a first right to purchase or otherwise receive Franchisee's interest under the same terms and conditions offered to or accepted from the third party (the "**Right of First Refusal**"). Franchisee's failure to

offer to Franchisor the Right of First Refusal will be an Event of Default of the terms of this Agreement. Notwithstanding anything contained herein to the contrary, Franchisee will not be obligated to offer Franchisor the Right of First Refusal if the Transfer is solely between Franchisee and either (a) a corporation whose original sole shareholders are individuals who comprise the original Franchisee and/or (b) the immediate family of Franchisee or the immediate family of the individuals described in (a) herein. For the purpose of this section, immediate family means the spouse, children, siblings, or parents of Franchisee only.

11.2. Franchisee will make available to Franchisor in a written statement verified by Franchisee the terms of the offer received or made by Franchisee, and Franchisor will have 30 days from the receipt of said statement to either accept or refuse such offer. Written notice of Franchisor's decision to accept or refuse said offer will be delivered to Franchisee. Acceptance by Franchisor will be at the same price and on the same terms set forth in the written statement submitted by Franchisee.

11.3. In the event Franchisor fails to accept the offer within the 30-day period, Franchisee will be free to effect the disposition described in the statement upon the exact terms set forth in the statement delivered to Franchisor, provided that nothing in this paragraph may be interpreted as limiting the requirements of Sections 4.29 and 10.

11.4. Furthermore, in the event Franchisee is insolvent, or upon the filing of any petition by or against Franchisee under any provisions of any bankruptcy law, Franchisor will have the first right to purchase the business conducted by Franchisee, for an amount and pursuant to terms established by an independent appraiser selected by Franchisor.

SECTION 12

GENERAL

12.1. Nothing in this Agreement may be construed to prevent Franchisee from freely setting Franchisee's own prices and discounts for services and products which Franchisee may render or sell provided such actions do not affect the business of Franchisor.

12.2.1. Should any part of this Agreement for any reason be declared invalid or unenforceable, such decision will not affect the validity of the remaining portion, which remaining portion will remain in full force and effect as if this Agreement had been executed with the invalid or unenforceable portion eliminated, and the parties to this Agreement agree that they would have executed the remaining portion of this Agreement without including any such part, parts, or portion which may, for any reason, hereafter be declared invalid or unenforceable.

12.2.2. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of or refusal to renew this Agreement than is required hereunder, or the taking of some other action not required hereunder, or if under any applicable and binding law or rule of any jurisdiction, any provision of the Agreement or any requirement prescribed by Franchisor is invalid or unenforceable, the prior notice and/or other action required by such law or rule will be substituted for the comparable provisions hereof, and Franchisor will have the right to modify such invalid or unenforceable provision or requirement to the extent required to be valid and enforceable. Franchisee agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is comprehended within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof, or any requirement prescribed by Franchisor, any portion or portions which a court may hold to be unenforceable in a final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order. Such modifications to this Agreement will be effective only in such jurisdiction, unless Franchisor elects to give them greater applicability, and will be enforced as originally made and entered into

in all the jurisdictions.

12.3. This Agreement and the Attachments and Exhibits hereto constitute the entire Agreement between us and you concerning the subject matter hereof and supersede all prior agreements, negotiations, representations, and correspondence concerning the same subject matter; *provided, however*, that nothing in this Agreement or any related agreement is intended to disclaim the representations we made in the Franchise Disclosure Document that we furnished to you. All transactions between Franchisee and Franchisor regarding any operation of a Jani-King franchised business granted under any franchise agreement dated prior to this Agreement will be controlled by this Agreement and the most current publication of the Manual. Any amendment or modification to this Agreement is invalid unless made in writing and signed by all the parties. Nothing in this Agreement is intended to disclaim the representations we made in the Franchise Disclosure Document that we furnished to you.

12.4. Franchisee acknowledges that neither Franchisor nor anyone on Franchisor's behalf has made any representations, promises or agreements, orally or otherwise, respecting the subject matter of this Agreement which is not embodied herein. Franchisee specifically acknowledges that the only financial performance information Franchisor furnish is set forth in Item 19 of the franchise disclosure document; that no officer, director, employee, agent, representative or independent contractor of ours is authorized to furnish Franchisee or the Principals with any financial performance information; that, if they nevertheless do, neither Franchisee nor the Principals will rely on any such financial performance information provided by any such individual; and, that if any such individual attempts to or actually does give Franchisee or the Principals any such financial performance information in contravention of this provision, Franchisee will immediately communicate such activity to Franchisor. For the purpose of this Agreement, "financial performance information" means information given, whether orally, in writing or visually which states, suggests or infers a specific level or range of historic or prospective sales, expenses and/or profits of franchised or non-franchised units.

12.4.1. Franchisee acknowledges that Franchisee has carefully read this Agreement, that ample opportunity has been provided for Franchisee to obtain the services of an independent legal or financial advisor, and that Franchisee has had the opportunity to have this Agreement and all supporting disclosure documentation, as well as any other information gathered by the Franchisee, reviewed by an attorney and/or financial advisor of Franchisee's own choice.

12.4.2. Franchisee further acknowledges that Franchisor does not authorize any representative of Franchisor to make any oral, written, visual or other claim or representation that is not contained in the Franchise Disclosure Document provided to Franchisee by Franchisor and does not permit any promises, agreements, contracts, commitments, or representations to be made to Franchisee except those stated in this Agreement.

12.5. Franchisee acknowledges that the Franchised Business and all documents and information Franchisee receives from Franchisor relating to the operation of the Franchised Business, including the manuals and communication tools and the training will be presented to Franchisee in the English language. Franchisee is solely responsible for ensuring that a representative of Franchisee that is fluent in the English language is present during any training provided by Jani-King and available for any translating necessary during the operation of the Franchised Business.

12.6. The Parties agree and understand that Franchisee will be at all times an independent contractor under this Agreement and will not, at any time, directly or indirectly, hold itself out as an agent, servant, or employee of Franchisor. Nothing in this Agreement may be construed to create a partnership, joint venture, agency, employment or fiduciary relationship of any kind. None of Franchisee's employees will be considered to be Franchisor's employees. Neither Franchisee nor any of Franchisee's employees whose compensation Franchisee pays may in any way, directly or indirectly, expressly or by implication, be construed to be Franchisor's employee for any purpose. Franchisee may not, without our prior written approval, have any power to obligate Franchisor for any expenses, liabilities or other obligations, other than as specifically provided in this Agreement.

12.7. No waiver by Franchisor of any default in performance on the part of Franchisee, time being of the essence, or like waiver by Franchisor of any breach or series of breaches, of any of the terms, covenants and conditions of this Agreement will constitute a waiver of any subsequent breach or waiver of said terms, conditions or covenants.

12.8. Any notice required or permitted under this Agreement must be in writing and delivered by personal delivery service, by deposit in the U.S. mail, certified, return receipt requested, or by a recognized express delivery service providing written receipt of delivery at the address listed for the Franchisee in the Franchise Summary or to Franchisor at the following address:

JANI-KING OF MADISON OR GREEN BAY
6472 RONALD REAGAN AVENUE
MADISON, WI 53704

A Party to this Agreement may change its notice information by providing written notice to the other Party pursuant to the notice requirements stated above, and such change will be effective as to each other Party on the 10th day after delivery to such other Party.

12.9. THE PARTIES AGREE AND INTEND THIS INSTRUMENT TO BE EXECUTED, INTERPRETED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF WISCONSIN, WITHOUT REFERENCE TO CONFLICT OF LAWS PRINCIPLES. WISCONSIN LAW WILL APPLY TO ALL CLAIMS, DISPUTES, AND DISAGREEMENTS BETWEEN THE PARTIES, WHETHER ARISING FROM ALLEGED BREACHES OF THE CONTRACT OR AGREEMENT OR OTHER CLAIMS ARISING IN ANY WAY FROM THE PARTIES' DEALINGS. SUBJECT TO SECTION 12.16 BELOW, JURISDICTION AND VENUE IS DECLARED TO BE EXCLUSIVELY IN THE STATE OF WISCONSIN.

12.10. The submission of this Agreement does not constitute an offer to license, and this Agreement becomes effective only upon execution thereof by Franchisor and Franchisee and the compliance with Section 12.12.

12.11. THE PARTIES AGREE THAT ANY DAMAGES SOUGHT BY OR AWARDED TO FRANCHISEE WILL BE LIMITED TO FRANCHISEE'S TOTAL INVESTMENT WITH FRANCHISOR, AND NO PUNITIVE OR EXEMPLARY DAMAGES WILL BE AWARDED TO FRANCHISEE.

12.12. This Agreement will not be binding on Franchisor unless and until it has been accepted and signed by an officer or director of Franchisor at Franchisor's home office in Addison, Dallas County, Texas.

12.13. The numbers and headings of paragraphs used herein are for convenience only and do not affect the substance of the paragraphs themselves.

12.14. Franchisee certifies and warrants that all owners and spouses of owners and all persons who are a shareholder, member, manager, officer or director of any corporation who holds the franchise: (1) are listed in the attached SCHEDULE OF PRINCIPALS; and (2) that all such parties will execute all Guarantees or other documents required by Jani-King.

12.15. Franchisee explicitly affirms and recognizes the unique value and secondary meaning associated with the System and the Proprietary Marks. Accordingly, Franchisee agrees that any noncompliance by Franchisee with the terms of this Agreement, or any unauthorized or improper use of the System or the Proprietary Marks by Franchisee, will cause irreparable damage to Franchisor and other System franchisees. Franchisee therefore agrees that if it engages in such noncompliance, or unauthorized and/or improper use of the System or Proprietary Marks, during or after the term of this Agreement, Franchisor and its affiliates will be entitled to request and obtain both

temporary and permanent injunctive relief against Franchisee, in addition to all other remedies which Franchisor may have at law or equity, from any court of competent jurisdiction. Franchisee consents to the entry of these temporary and permanent injunctions without the requirement that Franchisor posts a bond of any type or nature, or any other form of security, and without the requirement to prove the inadequacy of money damages as a remedy, and without waiving any other rights or remedies at law or in equity. Franchisee will be responsible for payment of all costs and expenses, including reasonable attorneys' and expert fees, which Franchisor and/or its affiliates may incur in connection with our efforts to secure such injunctive relief. The rights and remedies set forth in this Section 12.15 are in addition to those set forth in Section 5.7.

12.16. The Parties agree that - - except for those controversies, disputes or claims for which Franchisor and/or its affiliates have the right to request and obtain temporary and permanent injunctive relief and other remedies as set forth in Sections 5.7 and 12.15 above - - all controversies, disputes, or claims between the Franchisor and its affiliates, and the Franchisor's and its affiliates' respective shareholders, officers, directors, agents, and employees, and Franchisee (and its owners, guarantors, affiliates, and employees) arising out of or related to:

- this Agreement or any other agreement between Franchisee (or its owners) and the Franchisor (or its affiliates);
- the Franchisor's relationship with Franchisee;
- the scope or validity of this Agreement or any other agreement between Franchisee (or its owners) and the Franchisor (or its affiliates) or any provision of any of such agreements (including the validity and scope of the arbitration obligation under this Section 12.16, which the Parties acknowledge shall be determined by an arbitrator, not a court); or
- any System standard shall be exclusively resolved through binding arbitration, on demand of either Party, before the American Arbitration Association. The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the then-current Commercial Arbitration Rules of the American Arbitration Association. All proceedings will be conducted at a suitable location chosen by the arbitrator in or within 50 miles of the Franchisor's then-current principal place of business. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction.

The arbitrator may issue only a standard decision and not a reasoned decision. The arbitrator has the right to award or include in his or her award any relief which he or she deems proper, including, without limitation, money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs, provided that the arbitrator may not declare any of the trademarks owned by the Franchisor or its affiliates generic or otherwise invalid or, except as expressly provided in this Section 12.16, award any punitive, exemplary, or multiple damages against either party (the Parties hereby waiving to the fullest extent permitted by law, except as expressly provided in this Section 12.16, any right to or claim for any punitive, exemplary, or multiple damages against the other).

The Parties agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or under this Agreement, whichever expires earlier. The Parties further agree that, in any arbitration proceeding, each Party must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any claim which is not submitted or filed as required is forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either Party.

The Parties agree to evenly share the cost of the arbitrator's fee. The Franchisor reserves the right, but has no obligation, to advance Franchisee's share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place and by doing so will not be deemed to have waived or relinquished any right to seek the recovery of those costs.

The Parties agree that arbitration will be conducted on an individual, not a class-wide, basis and that an arbitration proceeding between the Franchisor and its affiliates, and the Franchisor's and its affiliates' respective shareholders, officers, directors, agents, and employees, and Franchisee (and its owners, guarantors, affiliates, and employees) may not be commenced, conducted, or consolidated with any other arbitration proceeding between the Franchisor and any other person. Notwithstanding the foregoing or anything to the contrary in this Section, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Section, then all Parties agree that this arbitration clause will not apply to that dispute and that such dispute will be resolved in a judicial proceeding in accordance with the dispute resolution provisions of this Agreement.

The Parties agree that, in any arbitration arising as described in this Section, requests for documents must be limited to documents that are directly relevant to significant issues in the case or to the case's outcome; must be restricted in terms of timeframe, subject matter and persons or entities to which the requests pertain; and must not include broad phraseology such as "all documents directly or indirectly related to." The Parties further agree that there may be no interrogatories or requests to admit. With respect to any electronic discovery, the Parties agree that:

- (a) production of electronic documents need only be from sources used in the ordinary course of business. No such documents will be required to be produced from back-up servers, tapes or other media;
- (b) the production of electronic documents will normally be made on the basis of generally available technology in a searchable format which is usable by the party receiving the documents and convenient and economical for the producing party. Absent a showing of compelling need, the Parties need not produce metadata, with the exception of header fields for email correspondence;
- (c) the description of custodians from whom electronic documents may be collected must be narrowly tailored to include only those individuals whose electronic documents may reasonably be expected to contain evidence that is material to the dispute; and
- (d) where the costs and burdens of electronic discovery are disproportionate to the nature of the dispute or to the amount in controversy, or to the relevance of the materials requested, the arbitrator may either deny such requests or order disclosure on condition that the requesting Party advance the reasonable cost of production to the other side, subject to allocation of costs in the final award as provided herein.

In any arbitration arising out of or related to this Agreement, each side may take three discovery depositions. Each side's depositions are to consume no more than a total of 15 hours. There are to be no speaking objections at the depositions, except to preserve privilege. The total period for the taking of depositions may not exceed six weeks.

The provisions of this Section are intended to benefit and bind certain third-party non-signatories and will continue in full force and effect subsequent to and notwithstanding the expiration or termination of the Agreements. Any provisions of this Agreement below that pertain to judicial proceedings will be subject to the agreement to arbitrate contained in this Section.

[Signatures appear on the following page.]

IN WITNESS WHEREOF, the parties hereto have set their hands this ____ day of _____, 20____.

JANI-KING OF MADISON OR GREEN BAY

FRANCHISEE:

BY: _____

(Signature of Owner, Partner or Authorized Officer)

TITLE: _____

(Print Name)
Social Security # _____

(Title of Authorized Officer)

Franchise Federal Tax ID#: _____

ACCEPTED by the Home Office of Franchisor on this ____ day of _____, _____.

BY: _____
Authorized Representative

SCHEDULE OF PRINCIPALS

ANY OTHER PERSON NOT LISTED IN THIS AGREEMENT WHO IS A SPOUSE, PARTNER, OR AN OFFICER, DIRECTOR, MANAGER, MEMBER OR SHAREHOLDER OF FRANCHISEE:

Name: _____
Relationship: _____
Taxpayer ID: _____
Address: _____
Telephone: _____

Name: _____
Relationship: _____
Taxpayer ID: _____
Address: _____
Telephone: _____

Name: _____
Relationship: _____
Taxpayer ID: _____
Address: _____
Telephone: _____

Name: _____
Relationship: _____
Taxpayer ID: _____
Address: _____
Telephone: _____

SCHEDULE ONE
“OFFICE SUPPLY AND ADVERTISING PACKAGE”

LIST OF MATERIALS PROVIDED TO FRANCHISEE
PURSUANT TO THE FRANCHISE AGREEMENT

ITEM	AMOUNT
JANI-KING Business Cards (imprinted logo)	1,000
JANI-KING Logo/Border Paper (matching envelopes)	100
JANI-KING Color Tri-Fold	50
JANI-KING Tunics	3
JANI-KING Golf Shirt	1
JANI-KING Polo Shirts	4
JANI-KING Inspection Pads	5
JANI-KING Memo Pads	5
JANI-KING Past Performance Pads	5
JANI-KING Account Bid Sheet Pad	1 pad
JANI-KING Contact Evaluation Pad (replace as needed)	1 pad
JANI-KING Logo Binders	2
JANI-KING Executive Pad Holder	1
JANI-KING Tri-fold Pad Holder	1
JANI-KING Training Videos	1 set
JANI-KING Customer Relations Handbook	1
JANI-KING Account Follow-up Sheets (replace as needed)	5
JANI-KING New Account Start-Up (replace as needed)	5
JANI-KING Initial Clean Sign-Off Sheets (replace as needed)	5
JANI-KING Franchisee Request Cards (replace as needed)	5
JANI-KING Authorization for Extra Work Forms (replace as needed)	5
JANI-KING Business Card Order Forms	As Needed

“SUPPLY AND EQUIPMENT PACKAGE”

THE FOLLOWING SUPPLIES AND EQUIPMENT MUST BE PURCHASED
BY EACH FRANCHISEE PURSUANT TO THE FRANCHISE AGREEMENT AND
PRIOR TO FRANCHISOR OFFERING ANY OF THE INITIAL BUSINESS

The products listed may be purchased from Franchisor, subject to shipping restrictions, or any other source. Franchisor reserves the right, upon thirty days’ notice to Franchisee, to require Franchisee to purchase all cleaning equipment and supplies for the operation of its Franchised Business from one or more of Franchisor’s affiliates, or from a vendor approved by Franchisor. Prices currently charged by Franchisor may be changed or modified in the future.

ITEM	AMOUNT
All Purpose Cleaner (Biodegradable for use on walls, formica, etc.)	1 - one gallon container (or equivalent)
Glass Cleaner	1 - one gallon container (or equivalent)
Restroom Disinfectant	1 - one gallon container (or equivalent)
Cream Cleanser	2 - one quart containers (or equivalent)
Neutral Floor Cleaner	1 - one gallon container (or equivalent)
Carpet Cleaning Concentrate (Bonnet Method)	1 gallon
Carpet Spot Remover	1 can (or equivalent)
Floor Finish Stripper	1 gallon
High Gloss Floor Finish	1 gallon
Stainless Steel Cleaner	1 can
Dust Mop Treatment	1 can
Small Trash Liners (10-12 gallon capacity)	1 case
Large Trash Liners (40-45 gallon capacity)	1 case

ITEM	AMOUNT
Combination Mop Bucket and Wringer (26 quart minimum with wet floor caution inlayed)	2
Wet Mop Handle	2
Wet Mop Head (24 oz.)	4
Dust Mop Head (24 inch)	1
Dust Mop Frame (24 inch)	1
Swivel Dust Mop Handle	1
Metal-Tipped Handle for Doodle Bug	1
Doodle Bug Holder and Pads (3)	1
Plastic Angle Broom	1
Corner Brush	1
Toy Broom	1
Janitor Dust Pan	1
17” Black Stripping Pad	5

“SUPPLY AND EQUIPMENT PACKAGE” – Continued

ITEM	AMOUNT
17” Red Buffing Pad	5
17” Bonnet Pad	1
Window Squeegee Handle	1
14” Window Stripwasher with Sleeve	1
12” Squeegee Channel	1
Commercial Sponge with Scrubber	1
Commercial Sponge	1
Roll-around Trash Container (32 gallon)	1
Brute Container Caddy	1
Lambswool Duster (Telescoping)	1

ITEM	AMOUNT
Disposal Wipes	1 package
Disposal Gloves	1 box
Putty Knife	1
Sanitary Bowl Swab	2
Rubber Door Stop	1
Wet Floor Caution Sign	4
One Quart Spray Bottle	6
Trigger Sprayer	6
8 oz. Measuring Cup	1
Cellular Phone (not available through Franchisor)	1

Franchisor may adjust the items included in the Supply and Equipment Package as industry standards change.

“ADDITIONAL ELECTRIC EQUIPMENT”

THE FOLLOWING EQUIPMENT MUST BE PURCHASED BY EACH FRANCHISEE PURSUANT TO THE FRANCHISE AGREEMENT AND PRIOR TO FRANCHISOR OFFERING ANY OF THE INITIAL BUSINESS

The products listed may be purchased from Franchisor or any other source.
Prices currently charged by Franchisor may be changed or modified in the future.

For Plans E-4 and higher:

QUANTITY	DESCRIPTION	UNIT PRICE
1	17” Heavy Duty Floor Machine with 1.5 HP electric motor, triple planetary gearing, includes pad driver, 175 rpm, with easy adjusting handle	\$1,157.30 each
1	Wet/Dry vacuum with 14 gallon tank including tool kit	\$761.62 each
1	Backpack Vacuum Cleaner, 10 qt. including tool kit	\$576.98 each

In addition to the above equipment, any Franchisee purchasing Plans E-10 or higher must purchase the following equipment:

QUANTITY	DESCRIPTION	UNIT PRICE
1	20” high speed Burnisher with dust control	\$2,518.30 each

In addition to all of the above equipment, any Franchisee purchasing a Plan E-20 or Plan E-25 must purchase the following equipment:

QUANTITY	DESCRIPTION	UNIT PRICE
1	Self-contained Extractor with 9 gallon tank with built-in spotting tool	\$3,081.46 each



GUARANTY

In consideration of the making by **Focus Franchising, Inc. d/b/a Jani-King of Madison or Forward Franchising, Inc d/b/a Jani-King of Green Bay** ("Franchisor") of that certain Jani-King franchise agreement ("Franchise Agreement") dated the ____ day of _____, 20____, by and between Franchisor and _____ ("Franchisee"), which the parties agree was made, in part, on this Guaranty, the undersigned ("Guarantor") unconditionally guarantees to Franchisor, its successors and assigns (collectively "Franchisor") the complete and timely performance by Franchisee of all terms of the Franchise Agreement, including full compliance of the non-compete provisions and prompt payment of all royalty, accounting, advertising, and other fees, Promissory Note payments and all other sums due. In that Guarantor is: (i) a spouse or partner of the Franchisee, if the Franchisee is a sole proprietorship or partnership; or (ii) a shareholder, officer or director of a corporation which owns interest in the franchise; or (iii) otherwise a principal with a beneficial interest in the Franchise Agreement, and thus will be privy to the confidential information and trade secrets of Franchisor, Guarantor agrees to comply with all covenants of the Franchise Agreement including the covenants related to the protection of the Jani-King trade and service marks, all noncompetition provisions or other restrictive covenants, financial responsibilities, and all post termination covenants of the Franchise Agreement, including the noncompetition provisions and other obligations setout regarding transfer, expiration, termination or non-renewal of the Franchise Agreement. Guarantor further agrees that all such covenants shall be binding upon and fully enforceable against Guarantor as though they were fully set forth in this Guaranty and Guarantor accepts all responsibility and liabilities relating to the covenants. This covenant shall survive any dissolution of marriage, resignation or other withdrawal of Guarantor from affiliation with Franchisee.

Guarantor waives notice of acceptance of this Guaranty, waives diligence, presentment, and suit by Franchisor to enforce any covenant of the Franchise Agreement or other guarantees herein. Guarantor further waives notice of Franchisee's default under the Franchise Agreement, and any notice required to be presented to Franchisee pursuant to the Franchise Agreement.

This Guaranty will remain in effect with regard to any renewals, modifications or amendments to the Franchise Agreement by Franchisee or its successors or assigns (collectively "Franchisee"), without notice or approval of same by Guarantor, provided any transfer of ownership rights relating to the Franchise Agreement have been approved by Franchisor in accordance with the terms of the Franchise Agreement. This Guaranty shall remain valid until released in writing by Franchisor. No action or inaction by Franchisor shall serve to release this Guaranty.

Franchisor reserves the right to join Guarantor in any action or proceeding commenced against Franchisee. Franchisor may file suit and recover judgment from Guarantor without prior suit or exhaustion of any remedy against Franchisee. If Franchisee is involved in a bankruptcy, reorganization or winding up, no laws, regulations, administrative or judicial determination pertaining to such action shall limit this Guaranty in any way.

This Guaranty shall be binding upon the Guarantor's agents, successors, assigns, heirs, executors, and administrators. Where there is more than one Guarantor, each shall be jointly and severally liable for each obligation of the Guarantor herein. This Guaranty shall not be revoked or impaired as to any Guarantor by the death of the other party.

If this Guaranty is placed in the hands of an attorney for enforcement, Guarantor agrees to pay all of Franchisor's expenses, including reasonable attorney's fees, incurred in its enforcement.

Signed this _____ day of _____, 20____.

GUARANTOR:

Signature

Print Name

Guarantor's Resident Address

GUARANTOR:

Signature

Print Name

Guarantor's Resident Address

GUARANTOR:

Signature

Print Name

Guarantor's Resident Address

GUARANTOR:

Signature

Print Name

Guarantor's Resident Address

GUARANTOR:

Signature

Print Name

Guarantor's Resident Address

GUARANTOR:

Signature

Print Name

Guarantor's Resident Address

EXHIBIT II
Account Acceptance Agreement



ACCOUNT ACCEPTANCE / FINDER'S FEE AGREEMENT

ACCOUNT: _____ **FRANCHISEE:** _____ **NUMBER** _____
NAME: _____
ADDRESS: _____

MONTHLY BILLING: \$ _____ **START DATE:** _____

1. The above named Franchisee ("Franchisee") hereby accepts the designation being offered by Jani-King of _____ ("Jani-King") to service the above account under the terms of the related Jani-King Maintenance Agreement ("Maintenance Agreement") and agrees to closely adhere to all the terms of the Maintenance Agreement, including the Cleaning Schedule. Franchisee further agrees to provide service according to all Jani-King standards, procedures and policies. Franchisee acknowledges receiving a copy of the Maintenance Agreement and Cleaning Schedule.

2. If any portion of the account accepted under this agreement is offered as additional business in excess of the Initial Business, as stated in Franchisee's Franchise Agreement, Franchisee agrees to pay Jani-King a Finder's Fee according to the Jani-King Policies and Procedures effective on the date of this agreement, as summarized by the provisions marked below:

\$ _____ - \$ _____ and/or \$ _____ = \$ 0
Monthly Billing Initial Business Credit Finder's Fee Credit Amount Finder's Fee based upon

ACCOUNT TYPE:



FIXED RATE



VARIABLE RATE



PUBLIC EVENT FACILITY



APARTMENT TURNAROUND



SEASONAL

3. The unpaid portion of the Finder's Fee established by this agreement shall become due and payable immediately at the option of Jani-King, without demand or notice if this account cancels service for any reason that Franchisee or Franchisee's employees could have controlled, or for any reason set out in the Maintenance Agreement, the Franchise Agreement, or Jani-King Policies and Procedures, and Franchisee shall remain liable for any unremitted Finder's Fees. Franchisee further agrees that the total Finder's Fee will be due if the account is transferred at the request of the client as a result of Franchisee's failure to perform, and is later canceled by the client within sixty (60) days of being transferred. Such outstanding Finder's Fees may, at the option of Jani-King, be payable on the monthly payment basis set out above until the agreed upon Finder's Fees have been received by Jani-King.

4. Franchisee certifies that it has sufficient working capital to purchase all needed supplies and equipment, and to meet all expected payrolls for the first forty-five (45) days of service under the Maintenance Agreement.

5. Franchisee further understands and agrees that the Maintenance Agreement relating to this Account is and shall at all times remain the property of Jani-King and be subject to the policies, procedures and performance standards of Jani-King. A representative of Jani-King will inspect this account from time to time in order to ensure that the service provided to this account is being performed in accordance with the Cleaning Schedule and to the performance standards of Jani-King. If at any time, whether through complaint or inspection, a deficiency in performance is discovered, the applicable Complaint Fees and Service Fees established in the Jani-King Policies and Procedures will apply.

6. In the event an attorney is employed by Jani-King to enforce any of the terms of this agreement, Franchisee agrees to pay all reasonable costs and attorneys' fees incurred by Jani-King in connection therewith.

DATE: _____

FRANCHISEE:

By: _____

Authorized Officer or Partner, (Title)

EXHIBIT III

Office Supply and Advertising Package, Supply and Equipment Package, and Additional Electric Equipment

SCHEDULE ONE
“OFFICE SUPPLY AND ADVERTISING PACKAGE”

LIST OF MATERIALS PROVIDED TO FRANCHISEE
PURSUANT TO THE FRANCHISE AGREEMENT

ITEM	AMOUNT
JANI-KING Business Cards (imprinted logo)	1,000
JANI-KING Logo/Border Paper (matching envelopes)	100
JANI-KING Color Tri-Fold	50
JANI-KING Tunics	3
JANI-KING Golf Shirt	1
JANI-KING Polo Shirts	4
JANI-KING Inspection Pads	5
JANI-KING Memo Pads	5
JANI-KING Past Performance Pads	5
JANI-KING Account Bid Sheet Pad	1 pad
JANI-KING Contact Evaluation Pad (replace as needed)	1 pad
JANI-KING Logo Binders	2
JANI-KING Executive Pad Holder	1
JANI-KING Tri-fold Pad Holder	1
JANI-KING Training Videos	1 set
JANI-KING Customer Relations Handbook	1
JANI-KING Account Follow-up Sheets (replace as needed)	5
JANI-KING New Account Start-Up (replace as needed)	5
JANI-KING Initial Clean Sign-Off Sheets (replace as needed)	5
JANI-KING Franchisee Request Cards (replace as needed)	5
JANI-KING Authorization for Extra Work Forms (replace as needed)	5
JANI-KING Business Card Order Forms	As Needed

“SUPPLY AND EQUIPMENT PACKAGE”

THE FOLLOWING SUPPLIES AND EQUIPMENT MUST BE PURCHASED
BY EACH FRANCHISEE PURSUANT TO THE FRANCHISE AGREEMENT AND
PRIOR TO FRANCHISOR OFFERING ANY OF THE INITIAL BUSINESS

The products listed may be purchased from Franchisor, subject to shipping restrictions, or any other source. Franchisor reserves the right, upon thirty days’ notice to Franchisee, to require Franchisee to purchase all cleaning equipment and supplies for the operation of its Franchised Business from one or more of Franchisor’s affiliates, or from a vendor approved by Franchisor. Prices currently charged by Franchisor may be changed or modified in the future.

ITEM	AMOUNT
All Purpose Cleaner (Biodegradable for use on walls, formica, etc.	1 - one gallon container (or equivalent)
Glass Cleaner	1 - one gallon container (or equivalent)
Restroom Disinfectant	1 - one gallon container (or equivalent)
Cream Cleanser	2 - one quart containers (or equivalent)
Neutral Floor Cleaner	1 - one gallon container (or equivalent)
Carpet Cleaning Concentrate (Bonnet Method)	1 gallon
Carpet Spot Remover	1 can (or equivalent)
Floor Finish Stripper	1 gallon
High Gloss Floor Finish	1 gallon
Stainless Steel Cleaner	1 can
Dust Mop Treatment	1 can
Small Trash Liners (10-12 gallon capacity)	1 case
Large Trash Liners (40-45 gallon capacity)	1 case

ITEM	AMOUNT
Combination Mop Bucket and Wringer (26 quart minimum with wet floor caution inlayed)	2
Wet Mop Handle	2
Wet Mop Head (24 oz.)	4
Dust Mop Head (24 inch)	1
Dust Mop Frame (24 inch)	1
Swivel Dust Mop Handle	1
Metal-Tipped Handle for Doodle Bug	1
Doodle Bug Holder and Pads (3)	1
Plastic Angle Broom	1
Corner Brush	1
Toy Broom	1
Janitor Dust Pan	1
17” Black Stripping Pad	5

“SUPPLY AND EQUIPMENT PACKAGE” – Continued

ITEM	AMOUNT
17” Red Buffing Pad	5
17” Bonnet Pad	1
Window Squeegee Handle	1
14” Window Stripwasher with Sleeve	1
12” Squeegee Channel	1
Commercial Sponge with Scrubber	1
Commercial Sponge	1
Roll-around Trash Container (32 gallon)	1
Brute Container Caddy	1
Lambswool Duster (Telescoping)	1

ITEM	AMOUNT
Disposal Wipes	1 package
Disposal Gloves	1 box
Putty Knife	1
Sanitary Bowl Swab	2
Rubber Door Stop	1
Wet Floor Caution Sign	4
One Quart Spray Bottle	6
Trigger Sprayer	6
8 oz. Measuring Cup	1
Cellular Phone (not available through Franchisor)	1

Franchisor may adjust the items included in the Supply and Equipment Package as industry standards change.

“ADDITIONAL ELECTRIC EQUIPMENT”

THE FOLLOWING EQUIPMENT MUST BE PURCHASED BY EACH
FRANCHISEE PURSUANT TO THE FRANCHISE AGREEMENT AND PRIOR
TO FRANCHISOR OFFERING ANY OF THE INITIAL BUSINESS

The products listed may be purchased from Franchisor or any other source.
Prices currently charged by Franchisor may be changed or modified in the future.

For Plans E-5 and higher:

QUANTITY	DESCRIPTION	UNIT PRICE
1	17” Heavy Duty Floor Machine with 1.5 HP electric motor, triple planetary gearing, includes pad driver, 175 rpm, with easy adjusting handle	\$1,319.28 each
1	Wet/Dry vacuum with 14 gallon tank including tool kit	\$868.32 each
1	Backpack Vacuum Cleaner, 10 qt. including tool kit	\$657.73 each

In addition to the above equipment, any Franchisee purchasing Plans E-10 or higher must purchase the following equipment:

QUANTITY	DESCRIPTION	UNIT PRICE
1	20” high speed Burnisher with dust control	\$2,870.28 each

In addition to all of the above equipment, any Franchisee purchasing a Plan E-20 or Plan E-25 must purchase the following equipment:

QUANTITY	DESCRIPTION	UNIT PRICE
1	Self-contained Extractor with 9 gallon tank with built-in spotting tool	\$3,145.70 each

EXHIBIT IV
Equipment Lease Agreement and Guaranty of Payment and Performance

EQUIPMENT LEASE AGREEMENT

Franchisee Name: _____

Franchisee Address: _____

Franchisee Number: _____ Phone: _____

This is an Equipment Lease Agreement ("**Lease**") between _____, a Franchisee of Jani-King of MADISON or GREEN BAY ("**Franchisor**"), as Lessee, and FOCUS or FORWARD FRANCHISING, INC., as Lessor, which covers the lease of the equipment described below. As used in this Lease, the words "I", "me", or "my" refer to the Lessee, the words "you" or "your" refer to the Lessor and the words "we" or "us" refer to both the Lessee and Lessor. I understand that the consumer law disclosures you have made in this Lease are also made on behalf of any eventual assignee of this Lease, if any.

Equipment Description (the "**Equipment**"): _____

AMOUNTS DUE UPON LEASE SIGNING, MONTHLY LEASE OBLIGATIONS, AND END OF TERM PAYMENT: I will pay the following amounts when due.

Due On Lease Signing		Monthly Payments		Due On End of Term Purchase	
Down Payment	\$ _____	Monthly Payment	\$ _____	Last Payment	\$ _____
Sales Tax	\$ _____	Sales Tax	\$ _____	Sales Tax	\$ _____
Insurance:	_____	Insurance	_____	Insurance	_____
Total Due on Signing	\$ _____	Total Due Monthly	\$ _____	Final Amount Due	\$ _____

LEASE TERM AND MONTHLY PAYMENTS: This Lease becomes effective when I sign it and will be for a term of _____ months beginning with delivery of the Equipment and will require the same number of monthly payments of \$ _____ including tax for a total of monthly payments of \$ _____ including tax. I will pay the down payment when I sign this Lease. Beginning the month after delivery of the Equipment, I promise to pay monthly payments on or before the 5th of each month. I agree payments owed to you may be deducted from monies to be remitted to me by Jani-King of GREEN BAY (Franchisor) pursuant to the Franchise Agreement between Franchisor and me ("**Franchise Agreement**") and I agree to hold Jani-King of MADISON or GREEN BAY harmless.

LEASE TERMINATION AND PURCHASE OPTION: This Lease includes a right to purchase the Equipment at the end of the term of this Lease, at my option, for \$ _____ ("**Purchase Price**"), which I agree may be deducted from monies to be remitted to me by Franchisor pursuant to the Franchise Agreement. You will give me notice prior to the end of the Lease and I will be deemed to have exercised the purchase option unless I return the Equipment to you on or before the end of the Lease term. If (i) at the end of the Lease term, I choose not to purchase the Equipment, (ii) the Lease is terminated early, or (iii) I default on this Lease, I agree to immediately return the Equipment to the place you specify.

EQUIPMENT MAINTENANCE: I realize that all expenses concerning the use and operation of the Equipment are my responsibility. I will, at my expense, have the Equipment serviced in accordance with the manufacturer's recommendations, maintain the Equipment in good working order and condition, and have all the necessary repairs made. If you request, you may inspect the Equipment at any reasonable time during the term of this Lease.

EQUIPMENT WARRANTIES: I acknowledge that you do not make any express warranties regarding the Equipment and that I am leasing the Equipment from you "**AS IS**". However, to the extent the Equipment is still subject to the manufacturer's warranty, you assign to me all your rights and remedies under such warranty to the extent the warranty is assignable.

INSURANCE: I agree that I must keep and provide sufficient insurance coverage at my expense to be able to reimburse you for the value of the Equipment should there be any losses due to fire, theft, or other occurrences. I agree that I will furnish you with written confirmation of coverage, and that you will be the primary beneficiary of the insurance proceeds. I understand that if I do not provide confirmation of coverage that you may purchase insurance on my behalf and deduct the charges from my Jan-King of GREEN BAY Franchise report and I understand that no refunds will be made.

DAMAGE OR LOSS OF EQUIPMENT: I agree to be liable for any damage to, or theft or destruction of, the Equipment. I will notify you as soon as possible if the Equipment is damaged, stolen, or destroyed. I understand that the proceeds of the insurance covering the Equipment will be applied to my remaining Monthly Payments and the Purchase Price, and that I remain liable for any difference between (i) the total of the remaining Monthly Payment and the Purchase Price, and (ii) the amount of the proceeds payable from the insurance coverage.

LIENS AND CLAIMS: I promise that no liens, encumbrances, or claims will be made on the Equipment by anyone.

SECURITY INTEREST: I recognize that your interest in the loss proceeds of the insurance shall be a security interest under the laws of the State of Wisconsin.

DEFAULT: I will be in default under this Lease if:

- Any information in my credit application is false or misleading;
- I fail to make any payment when due;
- I fail to keep any of my other promises to you; or
- I become the subject of an insolvency or bankruptcy or die.

REMEDIES: In the event of default you may do any or all of the following without giving me advance notice:

- Take any reasonable measures designed either to correct the default or save yourself from the loss, in which case I will pay you immediately for the expenses incurred;
- Terminate this Lease and my rights to possess and use the Equipment;
- Take possession of the Equipment by any method or manner permitted by law;
- Determine my remaining Monthly Payments and Purchase Price, which I agree to pay immediately;
- Apply any security deposit to any amounts I owe; and
- Pursue any other remedy permitted by law.

I also agree to be liable for all collection and legal costs, including reasonable attorney's fees and court costs, to the extent permitted by law.

GENERAL: I understand that:

- I have no right to assign any of my rights under this Lease.
- Your waiver of any default or your failure to insist on the keeping of any of my promises will not be a waiver of any of the terms of this Lease in the future.
- You have no obligation to provide any replacement Equipment for any reason.
- You can assign this Lease, all amounts I will owe you, and all your interest in the Equipment without my consent.
- **THIS LEASE WILL BE SUBJECT TO THE LAWS OF THE STATE OF WISCONSIN, WITHOUT REGARD TO CONFLICT OF LAW RULES. JURISDICTION AND VENUE FOR ANY ACTION ARISING OUT OF OR RESULTING FROM THIS LEASE WILL BE EXCLUSIVELY IN BROWN COUNTY, IN THE STATE OF WISCONSIN.**

NOTICE TO LESSEE:

1. Read this Lease before you sign it.
2. You are entitled to a completed copy of this Lease.

I HAVE READ AND RECEIVED A COMPLETED COPY OF THIS LEASE BEFORE SIGNING BELOW.

DELIVERY RECEIPT: *I acknowledge receipt of the Equipment described on the reverse side of this Lease bearing*

SERIAL NUMBER _____ on _____
in acceptable condition.

X

LESSEE

LESSOR

EXHIBIT V
General Release

GENERAL RELEASE

KNOWN OF ALL THOSE PRESENT: that _____, whose address is _____, in _____, (hereinafter "**Releasor**") for and in consideration of Jani-King of _____, (hereinafter "**Jani-King**") [check one] [] agreement to renew my Jani-King franchise for another terms or [] consent to transfer the ownership of my Jani-King franchise, together with such other good and valuable consideration, of behalf of its principals, agents, employees, servants, legal and personal representatives, successors and assigns, hereby fully releases and forever discharges Jani-King, Jani-King International, Inc., Jani-King, Inc., and the affiliated companies, principals and the heirs, executors and/or administrators, successors and/or assigns, agents, employees and servants of Jani-King, Jani-King International, Inc., and Jani-King, Inc. (the "**Released Parties**") from any and all manner of actions, cause and causes of action, suits, debts, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands, whatsoever, at law or in equity, Releasor now has or may have against the Released Parties relating to Releasor's ownership, directly or indirectly, of a Jani-King franchise.

Releasor acknowledges that the person(s) executing this General Release have read and understand that this is a General Release and the Releasor (or, as the case may be, each Releasor) intends to be and shall be bound legally by it. The person executing this General Release represents, with the signature below, that they are duly authorized to represent Releasor with regard to the above issues.

WITNESS the signature(s) of Releasor this _____ day of _____, 2_____, at _____, _____ (City and State of Execution).

Releasor:

Releasor:

Signature

Signature

Print Name/Date

Print Name/Date

Releasor:

Releasor:

Signature

Signature

Print Name/Date

Print Name/Date

EXHIBIT VI
Business Protection Plan Election Form



BUSINESS PROTECTION PLAN

Franchisee Name: _____

Franchisee Number: _____

Region: _____

In accordance with term of the Franchise Agreement, I hereby () accept or () reject the optional Business Protection Plan available through JANI-KING.

If rejected, I understand I must submit written evidence of the equivalent amount of coverage, naming **Focus** or **Forward Franchising, Inc. d/b/a Jani-King of Madison or Green Bay**, and Jani-King International, Inc. (jointly referred to as "JANI-KING" or Franchisor) as additional insured, in accordance with the terms of the Franchise Agreement, prior to commencing operations.

1. Franchisor shall have the right to administer the Jani-King Business Protection Plan ("BPP") and charge me a reasonable fee or such administration which will be deducted directly from the revenue reported on my Monthly Franchisee Report. The BPP fee shall include a proportional charge for the premium paid by Jani-King to the insurance carrier underwriting the BPP, as well as the cost of administering the program. Franchisor and its parent may derive income from the BPP. The cost of the BPP may change in the future due to changes in insurance rates and Franchisor retains the right to discontinue the contributory plan upon the granting of reasonable notice to Franchisee.

2. I understand that the BPP coverage will begin on a temporary basis while I am being trained by Franchisor's personnel, but such coverage ends when training is completed.

3. The BPP coverage is limited to the operations of my Franchise, and begins when franchise begins providing services under a valid Jani-King cleaning contract, and ends when service for the account is terminated. BPP coverage is only provided for operations where Franchisor has been notified that services will begin for an account prior to any claims related to such services, and where Franchisor has authorized the particular cleaning contract. I must notify Franchisor in advance of all additional services to be performed for a client under an existing Jani-King cleaning contract, such as specialty cleans, carpet or upholstery cleaning, or additional floor care not listed in the Cleaning Schedule.

4. The current deductible for each occurrence under the Business Protection Plan is \$1,000.00 for Theft and \$1,000.00 for Liability. The exceptions to the \$1,000 Liability Coverage Deductible are as follows: (1) If bleach or acid bowl cleaner are used, in direct violation of JANI-KING's recommended procedures, and these chemicals cause damage to fixtures, walls, partitions, carpets or hard surface floors the first incident will incur a deductible of \$1,500, (2) if a second incident occurs the deductible will increase to \$2,500 and (3) if a third incident occurs the deductible will increase to \$5,000 and will result in cancellation of your insurance coverage. This deductible may change in the future. JANI-KING does reserve the right, at its sole discretion, to refuse participation under those circumstances where damage or injury resulted because the Franchisee or its employee failed to apply the skills, training or knowledge that would be expected of the ordinary and reasonable commercial cleaning person under the same circumstances, so as to avoid a claim that should reasonably have been predicted because of the manner in which that person was performing or failing to perform. This will include those situations where the Franchisee failed to train or supervise his employees sufficiently to avoid the claim.

5. The Franchisee remains liable for any amounts not covered under the insurance policy.

6. I understand the plan **DOES NOT** provide coverage for Automobile Liability, Uninsured Motorist Coverage, or Property Damage or Theft Insurance for my equipment.

DATED: The _____ Day of _____ 20____
FRANCHISEE:

By: _____
(Signature of owner, partner or authorized officer)

(If authorized officer, indicate title)

By: _____
(If partnership with spouse or other person, partner signs here)

By: _____
(If third partner, sign here)

EXHIBIT VII
Table of Contents for Manuals

Safety

Contents

Overview	3
Objectives	3
Reference Materials	3
Using the Safety Manual	4
Safety Exhibits	4
Contents in Each Exhibit	4
Exhibit I: Instilling Safety Awareness	4
Activity	4
Exhibit II: Responsibility	5
Activity	5
Exhibit III: Compliance	5
Activity	5
Exhibit IV: Communication	6
Exhibit V: Hazard Assessment	6
Activity	6
Exhibit VI: Accident/Exposure Investigations	6
Exhibit VII: Hazard Correction	6
Exhibit VIII: Working Surface/Wet Floors	7
Activity	7
Exhibit IX: Training and Instruction	8
Activity	8
Exhibit X: Recordkeeping	9
Activity	9
Exhibit XI: List of Training Subjects	10
Activity	10
Exhibit XII: Hazard Assessment Checklist	10
Exhibit XIII: Emergency Action Plan	11
Exhibit XIV: Global Harmonized System Hazard Communication	11
Jani-King Written Hazard Communication Program	11
Exhibit XV: Blood-Borne Pathogens	15
Activity	15
OSHA Blood-Borne Pathogens Standard and Exposure Control Plan	16
Activity	19

Safety

Exhibit XVI: Ladder Safety	20
Activity	20
Activity	21
Exhibit XVII: Personal Protective Equipment (PPE)	22
Activity	22
Safety Instructions to Employees	23
Franchise Safety Instructions	24
Activity	24
Safety Quizzes	24
Exhibit XVIII: First Aid	24
Summary	26
List of Appendices	27
Appendix A — Sample SDS	28
Appendix B — Sample Label	38
Appendix C — Safety Quizzes	39
Quiz Answers	51

Communications

Contents

Overview	2
Objectives	2
Reference Materials	2
Communication with Clients	3
Record Keeping	3
Ongoing Service	3
Daily Communication with the Client	3
Jani-King Memo	4
Activity - Jani-King Memo	5
Activity - Communications Log Book	6
Weekly Communication	7
Inspection Report	8
Activity	9
Monthly Communication	10
Face to Face Communication Tips	10
Telephone Procedures/Etiquette	10
Past Performance Sheet	11
Contact Evaluation Sheet	12
Activity	13
Managing Communication with Clients	14
Account Follow-Up Sheet	14
Franchise Portal	15
First Month of Service	16
Handling Complaints	16
Handling Theft Accusations	16
Handling Cancellations	17
Communication with Employees	18
Hiring Labor	18
Employee Eligibility Verification (Form I-9)	18
When Form I-9 Must Be Completed	18
Form I-9	19
Training Employees	22
Communication with the Jani-King Regional Office	23
Assisting You	23
Using the Franchise Operations Manual	23
Summary	24

Servicing Accounts

Contents

Overview	2
Objectives	2
Reference Materials	2
Starting Service with the Account	3
Account Acceptance/Finder's Fee Agreement	4
Maintenance Agreement Contract Terms	5
Paragraph 1: Performance of Services	6
Paragraph 2: Payment of Services	6
Activity	7
Paragraph 3: Business Relationships	8
Paragraph 4: Renewal and Termination	8
Paragraph 5: General Provisions	9
Cleaning Schedule	10
Exhibit A to Jani-King Maintenance Agreement	11
The Account Walk-Through	13
What to Learn During the Walk-Through	13
New Account Start Up / Set Up Form	15
Activity	16
Developing a Monthly Cleaning Plan	17
The Jani-King Monthly Calendar	19
Planning for More than One Account	20
Activity	20
New Account Start-up	22
Equipment and Supplies	22
Making a Difference: The Impact Clean	22
Ongoing Supervision during the First Months	22
Business Growth	23
Franchise Portal	23
Summary	24

Revenue Forms and Insurance

Contents

Overview	2
Objectives	2
Reference Materials	2
Reporting Revenue	2
Revenue Forms	2
Forms for Reporting Additional Revenue	2
One-Time Charge Contract	3
Initial Clean Completed	5
Extra Work Authorization	7
Addressing Price Changes	9
Activity	11
Tracking Expenses	12
Franchisee Report Overview	12
Franchisee Report (summary)	13
General Information	14
Total Contract Billing	15
Customer Transactions Report	17
Liabilities	18
Franchise Deductions Report	19
Lease Report	20
Supply Transaction Report	20
Regular Misc. (Miscellaneous) Report	21
Special Misc. (Miscellaneous) Report	21
Charge Backs	22
Due to Franchise	23
Activity	24
Understanding the Business Protection Plan (BBP)	25
Franchise Agreement Minimum Insurance Requirements	25
Activity	25
Reporting Injuries or Accidents	26
Reporting Property Damage	26
Activity	26
Summary	27
List of Appendices	28
Appendix A — Franchisee Report	29
Appendix B — Jani-King Business Protection Plan	37

Rest Room Cleaning

Contents

Overview	2
Objectives	2
Reference Materials	2
Restroom Cleaning Procedure	3
Purpose	3
Equipment and Supplies	3
Preparation	3
Safety	3
Recommended Cleaning Procedure	3
Miscellaneous Cleaning	5
Check your Work	5
Clean up	5
Activity	5
Alternative Cleaning Procedure	6
Care of Mops and Towels	6
Summary	7

Office-Window Cleaning

Contents

Overview	2
Objectives	2
Reference Materials	2
Daily Office Cleaning	3
Purpose	3
Equipment and Supplies	3
Preparation	3
Safety	3
Recommended Cleaning Procedure	3
Miscellaneous Cleaning	4
Check Your Work	4
Clean Up	4
Weekly Office Cleaning	5
Purpose	5
Equipment and Supplies	5
Preparation	5
Safety	5
Recommended Cleaning Procedure	5
Miscellaneous Cleaning	5
Check Your Work	5
Clean Up	5
Monthly Office Cleaning	6
Purpose	6
Equipment and Supplies	6
Preparation	6
Safety	6
Recommended Cleaning Procedure	6
Miscellaneous Cleaning	6
Check Your Work	6
Clean Up	6
Window Cleaning	7
Purpose	7
Equipment and Supplies	7
Preparation	7
Safety	7
Recommended Cleaning Procedure	7
Miscellaneous Cleaning	8
Check Your Work	8
Clean Up	8
Activity	8
Summary	9

Floor Maintenance and Cleaning

Contents

Overview	3
Objectives	3
Reference Materials	3
Vinyl Asbestos Tile (VAT)	4
Dust Mopping or Vacuuming	5
Purpose	5
Equipment and Supplies	5
Preparation	5
Safety	5
Recommended Cleaning Procedure	5
Miscellaneous Cleaning	5
Check Your Work	5
Clean Up	5
Wet Mopping	6
Purpose	6
Equipment and Supplies	6
Preparation	6
Safety	6
Recommended Cleaning Procedure	6
Miscellaneous Cleaning	7
Check Your Work	7
Clean Up	7
High Speed Burnishing	8
Purpose	8
Equipment and Supplies	8
Preparation	8
Safety	8
Recommended Cleaning Procedure	8
Miscellaneous Cleaning	9
Check Your Work	9
Clean Up	9

Floor Maintenance and Cleaning

Scrubbing	10
Purpose	10
Equipment and Supplies	10
Preparation	10
Safety	10
Recommended Cleaning Procedure	10
Check Your Work	11
Miscellaneous Cleaning	11
Clean Up	11
Stripping	12
Purpose	12
Equipment and Supplies	12
Preparation	12
Safety	13
Recommended Cleaning Procedure	13
Miscellaneous Cleaning	14
Check Your Work	14
Clean Up	14
Finishing	15
Purpose	15
Equipment and Supplies	15
Preparation	15
Safety	15
Recommended Finishing Procedure	15
Miscellaneous Cleaning	16
Check Your Work	16
Clean Up	16
Activity	16
The Importance of Mats	17
Scraper Matting	17
Carpet Matting	17
Matting Length	17
Maintenance	17
Scraper Matting Maintenance	17
Carpet Matting Maintenance	17
Day Porter	17
Summary	18

Carpet Cleaning

Contents

Overview	2
Objectives	2
Reference Materials	2
Vacuuming	3
Purpose	3
Equipment and Supplies	3
Preparation	3
Safety	3
Recommended Cleaning Procedure	3
Miscellaneous Cleaning	3
Check Your Work	3
Clean Up	3
Spot Cleaning	4
Purpose	4
Equipment and Supplies	4
Safety	4
Preparation	4
Recommended Cleaning Procedure	4
Check Your Work	4
Clean Up	4
Bonnet Cleaning	5
Purpose	5
Equipment and Supplies	5
Safety	5
Preparation	5
Recommended Cleaning Procedure	5
Miscellaneous Cleaning	6
Check your Work	6
Clean up	6
Extraction	7
Purpose	7
Equipment and Supplies	7
Safety	7
Preparation	7
Recommended Cleaning Procedure	7
Miscellaneous Cleaning	8
Check Your Work	8
Clean Up	8
Activity	8
Summary	9

Upholstery Cleaning

Contents

Overview	2
Objectives	2
Reference Materials	2
Spot Cleaning	3
Purpose	3
Equipment and Supplies	3
Preparation	3
Safety	3
Recommended Cleaning Procedure	3
Miscellaneous Cleaning	3
Check Your Work	3
Clean Up	3
Extraction	4
Purpose	4
Equipment and Supplies	4
Preparation	4
Safety	4
Recommended Cleaning Procedure	4
Miscellaneous Cleaning	5
Check Your Work	5
Clean Up	5
Activity	5
Summary	6

Contract Sales

Contents

Overview	3
Objectives	3
Reference Materials	3
Section 1. Selling Your Professional Cleaning Services	4
Lead Sources	4
Referrals	4
Selling by Phone	5
Telemarketing Daily Call Sheet	6
Telemarketing Scripts	7
Activity	8
Making Cold Calls	9
Cold Calling	9
Section 2. Making the First Visit a Success	10
Jani-King Marketing Tools	10
First Impressions	10
Sell the Concept	10
Script Suggestions	10
Completing the Account Bid Sheet	12
Activity	16
Preparing the Analysis of Account	17
Activity	21
Reviewing an Account Estimate Breakdown	22
Section 3. How to Figure a Bid	23
Calculating Labor Costs	23
Estimating Towel and Tissue Consumption	23
Additional Service Pricing	25
Section 4. Understanding the Standard Jani-King Proposal	26
Proposal Cover Letter	26
Jani-King Franchising Concept	26
Jani-King Credo	26
General Procedures	26

Contract Sales

Certificate of Insurance	26
Jani-King Maintenance Agreement	26
Cleaning Schedule	27
Requested Additional Cleans	27
Other Services	27
Initial Clean	27
Pricing Schedule	27
Section 5. Presenting the Proposal	28
Explain the Proposal	28
Script Suggestions	28
Handling Objections	29
Phrases to Avoid	29
Activity	30
Summary	31
 List of Appendices	 32
Appendix A — Sale Questions and Talking Points	33
Appendix B — Account Bid Sheet	37
Appendix C — Analysis of Account	38
Appendix D — Account Breakdown Estimate	39
Appendix E — Proposal Letter	40
Appendix F — Jani-King Franchising Concept	41
Appendix G — Jani-King Credo	42
Appendix H — General Procedures	43
Appendix I — Certificate of Insurance	44
Appendix J — Jani-King Maintenance Agreement	45
Appendix K — Cleaning Schedule	49
Appendix L — Requested Additional Cleans	51
Appendix M — Other Services	52
Appendix N — Initial Clean	53
Appendix O — Pricing Schedule	53
Appendix P — Conversion Chart	54

Efficiencies in Large Accounts

Contents

Overview	2
Objectives	2
Reference Materials	2
Initial Visit	3
Operational Walk Through Tips for Large Accounts	3
Activity	4
Workloading the Building	5
Vacancy Credits	5
Employees	5
Training	6
Systematic Method	6
Preparation	6
Systematic Procedure	7
Job Card	8
Activity	9
Equipment and Supplies	10
Chemicals	10
Planning Ahead	11
Planning Checklist	11
Activity	12
Summary	13

Policies and Procedures

Contents

Overview	2
Objectives	2
Reference Materials	2
Using the Policies and Procedures Manual	3
Section I: Training	3
Activity: Training	3
Section II: Starting Your Own Business	4
Activity: Offering Period Start	4
Activity: Designation of Accounts	5
Jani-King Drug Abuse Policy	6
Activity: Jani-King Drug Abuse Policy	6
Jani-King Drug Abuse Policy Form	7-8
Jani-King Sexual Harassment Policy	9
Activity: Jani-King Sexual Harassment Policy	9
Jani-King Sexual Harassment Policy Form	10
Activity: Asbestos Training Acknowledgement	11
Activity: Business Cards	11
Activity: Advertising and Marketing Materials	11
Section III: Financial Management	12
Activity: Accounting Fee	12
Activity: Account Report	13
Activity: Finder's Fees	13
Activity: Finder's Fee Schedule	14
Activity: Cancellation	14
Activity: Internal Office Procedures	15
Section IV: Business Management	16
Activity: Complaints	17
Activity: Business Management and Operations	18
Franchise Agreement and Policy Summary	19
Activity: Franchise Agreement and Policy Summary	19
Summary	20

EXHIBIT VIII
Financial Statements

Jani-King International, Inc. and Subsidiaries

Consolidated Financial Statements
Years Ended December 31, 2024, 2023, and 2022

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.



Jani-King International, Inc. and Subsidiaries

Consolidated Financial Statements
Years Ended December 31, 2024, 2023, and 2022

Jani-King International, Inc. and Subsidiaries

Contents

Independent Auditor's Report	3-4
Consolidated Financial Statements	
Consolidated Balance Sheets as of December 31, 2024, 2023, and 2022	6-7
Consolidated Statements of Income and Comprehensive Income for the Years Ended December 31, 2024, 2023, and 2022	8
Consolidated Statements of Shareholder's Equity for the Years Ended December 31, 2024, 2023, and 2022	9
Consolidated Statements of Cash Flows for the Years Ended December 31, 2024, 2023, and 2022	10-11
Notes to Consolidated Financial Statements	12-29



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Independent Auditor's Report

The Shareholder
Jani-King International, Inc. and Subsidiaries
Dallas, Texas

Opinion

We have audited the consolidated financial statements of Jani-King International, Inc. and Subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2024, 2023, and 2022, and the related consolidated statements of income and comprehensive income, shareholder's equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, 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 Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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



Auditor's Responsibilities for the Audits of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated 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 consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

BDO USA, P.C.

March 31, 2025

Consolidated Financial Statements

Jani-King International, Inc. and Subsidiaries

Consolidated Balance Sheets

<i>December 31,</i>	2024	2023	2022
Assets			
Current Assets			
Cash and cash equivalents	\$ 8,425,754	\$ 6,923,028	\$ 8,415,123
Short-term investments	27,344,677	27,160,000	19,864,490
Short-term investments, restricted	5,275,000	5,275,000	7,250,000
Accounts receivable, net	14,677,646	17,551,670	14,804,060
Notes receivable, current	1,164,557	1,298,993	819,142
Reinsurance premiums receivable	1,707,544	1,776,830	1,366,284
Inventory	-	56,375	83,317
Deferred reinsurance acquisition costs	173,733	180,341	168,461
Other assets - current	1,405,919	2,236,612	2,258,849
Total Current Assets	60,174,830	62,458,849	55,029,726
Non-Current Assets			
Property and equipment, net	5,632,979	5,566,186	5,398,123
Operating lease right-of-use assets	6,191,114	3,692,432	4,586,708
Notes receivable, net of current	473,576	1,123,723	933,283
Intangible assets, net	3,090,625	-	-
Notes receivable from related party	150,000	750,000	10,837,757
Total Non-Current Assets	15,538,294	11,132,341	21,755,871
Total Assets	\$ 75,713,124	\$ 73,591,190	\$ 76,785,597

Jani-King International, Inc. and Subsidiaries

Consolidated Balance Sheets

December 31,	2024	2023	2022
Liabilities and Shareholder's Equity			
Current Liabilities			
Due to franchisees	\$ 7,938,630	\$ 10,671,570	\$ 9,460,479
Accounts payable and accrued expenses	9,896,538	8,677,312	10,473,051
Accounts payable due to related party	-	7,500,000	-
Term notes payable, current	737,648	2,462,800	1,082,800
Operating lease liability, current	1,195,520	1,312,735	1,533,113
Unearned reinsurance premiums	1,412,817	1,475,837	1,375,540
Accrued income taxes	1,175,946	1,363,351	1,633,453
Legal settlements payable, current	-	-	3,396,472
Deferred franchise revenues, current	791,472	504,383	477,079
Total Current Liabilities	23,148,571	33,967,988	29,431,987
Non-Current Liabilities			
Term notes payable, net of current	3,275,927	2,709,333	4,213,800
Operating lease liability, net of current	5,192,397	2,598,881	3,255,658
Insurance reserves	3,877,561	4,353,059	5,041,697
Deferred franchise revenues, net of current	9,250,480	6,740,119	5,369,869
Total Non-Current Liabilities	21,596,365	16,401,392	17,881,024
Total Liabilities	44,744,936	50,369,380	47,313,011
Commitments and Contingencies			
Shareholder's Equity			
Common stock, \$10 par value; 100 shares authorized, issued, and outstanding	1,000	1,000	1,000
Additional paid-in capital	9,000	9,000	9,000
Retained earnings	31,480,383	23,927,061	30,126,631
Accumulated other comprehensive loss	(522,195)	(715,251)	(664,045)
Total Shareholder's Equity	30,968,188	23,221,810	29,472,586
Total Liabilities and Shareholder's Equity	\$ 75,713,124	\$ 73,591,190	\$ 76,785,597

See accompanying notes to consolidated financial statements.

Jani-King International, Inc. and Subsidiaries
Consolidated Statements of Income and Comprehensive Income

<i>Year ended December 31,</i>	2024	2023	2022
Revenues			
Commercial cleaning services	\$ 126,699,649	\$ 121,249,648	\$ 135,874,167
Regional franchise royalties	36,661,592	35,724,901	34,468,543
Advertising fees	7,955,053	7,751,334	7,676,604
Preopening services and franchise rights	2,253,995	1,239,678	1,634,323
Leasing, software, and transfer fees	677,791	1,240,725	1,108,787
Total Revenues	174,248,080	167,206,286	180,762,424
Cost of Revenues	99,349,469	94,880,876	105,062,012
Gross Profit	74,898,611	72,325,410	75,700,412
Operating Costs and Expenses			
Selling, general, and administrative expenses	44,651,914	48,896,271	43,324,443
Legal settlements	500	(1,200,000)	73,358
Depreciation and amortization	755,792	586,776	660,677
Total Operating Costs and Expenses	45,408,206	48,283,047	44,058,478
Operating Income	29,490,405	24,042,363	31,641,934
Other Income (Expense)			
Loss on sale of company-owned regions	-	(51,105)	-
Net realized gain (loss) on sales of property and equipment	55,438	(206,833)	30,187
Interest expense	(305,096)	(428,560)	(500,322)
Interest income	1,723,708	1,432,504	383,514
Other income, net	46,500	147,058	3,116,053
Total Other Income	1,520,550	893,064	3,029,432
Income, before income tax expense	31,010,955	24,935,427	34,671,366
Income tax expense	1,092,133	173,297	887,326
Net Income	29,918,822	24,762,130	33,784,040
Other Comprehensive Income (Loss)			
Foreign currency translation	193,056	(51,206)	41,959
Other Comprehensive Income (Loss)	193,056	(51,206)	41,959
Comprehensive Income	\$ 30,111,878	\$ 24,710,924	\$ 33,825,999

See accompanying notes to consolidated financial statements.

Jani-King International, Inc. and Subsidiaries

Consolidated Statements of Shareholder's Equity

	Common Stock	Paid-in Capital	Additional Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholder's Equity
Balance, December 31, 2021	\$ 1,000	\$ 9,000	\$ 9,000	\$ 14,107,591	\$ (706,004)	\$ 13,411,587
Net income	-	-	-	33,784,040	-	33,784,040
Foreign currency translation	-	-	-	-	41,959	41,959
Net distributions to shareholder	-	-	-	(17,765,000)	-	(17,765,000)
Balance, December 31, 2022	1,000	9,000	9,000	30,126,631	(664,045)	29,472,586
Net income	-	-	-	24,762,130	-	24,762,130
Foreign currency translation	-	-	-	-	(51,206)	(51,206)
Net distributions to shareholder	-	-	-	(30,961,700)	-	(30,961,700)
Balance, December 31, 2023	1,000	9,000	9,000	23,927,061	(715,251)	23,221,810
Net income	-	-	-	29,918,822	-	29,918,822
Foreign currency translation	-	-	-	-	193,056	193,056
Net distributions to shareholder	-	-	-	(22,365,500)	-	(22,365,500)
Balance, December 31, 2024	\$ 1,000	\$ 9,000	\$ 9,000	\$ 31,480,383	\$ (522,195)	\$ 30,968,188

See accompanying notes to consolidated financial statements.

Jani-King International, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

Year ended December 31,	2024	2023	2022
Cash Flows from Operating Activities			
Net income	\$ 29,918,822	\$ 24,762,130	\$ 33,784,040
Adjustments to reconcile net income to net cash provided by operating activities:			
Loss on sale of corporate owned regions	-	(51,105)	-
Net realized (gain) loss on sales of property and equipment	(55,438)	206,833	(30,187)
Depreciation and amortization	755,792	586,776	660,677
Amortization of right-of-use assets	1,306,506	1,508,052	1,739,142
PPP loan forgiveness	-	-	(3,089,380)
Bad debt expense	282,403	71,078	70,849
Changes in operating assets and liabilities:			
Accounts receivable and notes receivable, current	2,853,318	(2,926,224)	539,029
Reinsurance premiums receivable	69,286	(410,546)	(16,579)
Inventory	56,375	26,942	77,265
Deferred reinsurance acquisition costs	6,608	(11,880)	(3,085)
Other assets	830,693	33,108	(517,832)
Notes receivable, non-current	650,147	(190,440)	(279,117)
Due to franchisees, accounts payable and accrued expenses	(1,513,714)	(1,701,729)	(839,363)
Accounts payable to related party	(7,500,000)	7,500,000	-
Operating lease liability	(1,328,887)	(1,490,931)	(1,731,810)
Unearned reinsurance premiums	(63,020)	100,297	24,373
Accrued income taxes	(187,405)	(270,102)	563,825
Legal settlements payable	-	(3,396,472)	(4,721,393)
Deferred franchise revenues	2,797,450	1,397,554	(364,178)
Insurance reserves	(475,498)	(688,638)	(139,501)
Net Cash Provided by Operating Activities	28,403,438	25,054,703	25,726,775
Cash Flows from Investing Activities			
Purchase of short-term investments	(184,677)	(7,295,510)	(19,864,490)
Change in restricted short-term investments	-	1,975,000	-
Acquisitions, net of cash acquired	(3,509,261)	-	-
Purchases of property and equipment	(475,772)	(969,122)	(272,846)
Proceeds from sale of corporate owned regions	-	785,000	-
Proceeds from sale of property and equipment	-	7,450	29,927
Net Cash Used in Investing Activities	(4,169,710)	(5,497,182)	(20,107,409)

Jani-King International, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

<i>Year ended December 31,</i>	2024	2023	2022
Cash Flows from Financing Activities			
Receipts on notes receivable from related parties	\$ 600,000	\$ 10,087,757	\$ 1,094,193
Net distributions to shareholder	(22,365,500)	(30,961,700)	(17,765,000)
Proceeds from term notes	1,304,242	1,000,000	-
Payments on term notes	(2,462,800)	(1,124,467)	(1,198,913)
Net Cash Used in Financing Activities	(22,924,058)	(20,998,410)	(17,869,720)
Effect of Currency Translation on Cash and Cash Equivalents	193,056	(51,206)	41,959
Net Increase (Decrease) in Cash and Cash Equivalents	1,502,726	(1,492,095)	(12,208,395)
Cash and Cash Equivalents, beginning of year	6,923,028	8,415,123	20,623,518
Cash and Cash Equivalents, end of year	\$ 8,425,754	\$ 6,923,028	\$ 8,415,123
Supplemental Disclosures of Cash Flow Information			
Interest paid during the year	\$ 301,378	\$ 562,389	\$ 420,766
Income taxes paid during the year	2,111,113	278,823	922,257
Recognition of right-of-use assets obtained in exchange for new operating lease liabilities	(3,805,188)	(613,776)	(663,948)
Recognition of lease liability upon adoption of ASC 842	-	-	5,856,633
Derecognition of deferred rent upon adoption of ASC 842	-	-	(194,731)

See accompanying notes to consolidated financial statements.

Jani-King International, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

1. Organization

Jani-King International, Inc. (separately or together with its subsidiaries, as the context requires, the Company) is incorporated in the State of Texas and is a marketer and franchisor of commercial cleaning services. The Company sells and supports commercial cleaning franchises, which operate under the Company's trademarks and franchise system in the United States of America and internationally. The Company provides the framework for franchisees to provide commercial cleaning services to a variety of commercial enterprises, including services to specialized markets such as hospitals and other health care providers, hotels and resorts, schools and other educational institutions, and large event venues, such as athletic stadiums and arenas. This framework consists of the marketing and sale of commercial cleaning services, training and administrative support for franchisees, a proven business model, and the use of a widely-recognized registered trademark.

Jani-King International, Inc. is a wholly owned subsidiary of JAC Holdings, LLC, a Texas limited liability company (Parent Company).

2. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and include the accounts of the Company and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

JKI Indemnity SPC, a wholly owned subsidiary of the Company, was incorporated under the laws of the Cayman Islands on December 15, 1999. Its principal activity is to reinsure a portion of the workers compensation and general liability risks of the Company and its franchisees that choose to participate in the Company's insurance program.

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities at the dates of the consolidated financial statements and reported amounts of revenues and expenses during the reporting periods. An estimate is made in the calculations and assessments of allowance for credit losses, and in the calculations of the insurance reserves. Actual results may differ from the estimates.

Cash and Cash Equivalents

The Company considers all highly liquid financial instruments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents include \$495,118, \$413,850, and \$1,593,568, at December 31, 2024, 2023, and 2022, respectively, on deposit with banks outside of the United States, including foreign branches of United States financial institutions.

The Company holds its cash and cash equivalents both within and outside the United States at high credit quality institutions. At times, cash on deposit with any one bank may be in excess of the government insured limits. The Company has not experienced, and management does not expect to experience in the future, any losses as a result of these concentrations.

Jani-King International, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Short-Term Investments

Short-term investments are comprised of funds deposited in a money market account at a major United States bank and are stated at fair value. The deposits have an aggregate fair value of \$27,344,677, \$27,160,000, and \$19,864,490 at December 31, 2024, 2023, and 2022, respectively.

Restricted Short-Term Investments

Restricted short-term investments are comprised of certificates of deposit and money market accounts the Company intends to hold for more than three months and other time deposits at a major bank and are stated at fair value. The deposits have an aggregate fair value of \$5,275,000, \$5,275,000, and \$7,250,000 at December 31, 2024, 2023, and 2022, respectively, and mature within eleven months of year end. The Company intends to hold the investments until their maturity. The investments are restricted and pledged as security for the issuance of irrevocable letters of credit to support liabilities under reinsurance contracts of JKI Indemnity SPC.

Accounts Receivable, Notes Receivable, and Reinsurance Premiums Receivable

Accounts receivable consist primarily of billings to commercial customers for commercial cleaning services and royalties due from regional franchisees.

Notes receivable consist of amounts due from unit franchisees for the purchase of equipment and promissory notes due from regional franchises. The notes receivable due from unit franchisees provide for payment for the equipment purchased over a 12 to 36-month period.

Allowance for credit risk for accounts receivable and notes receivable is established based on various factors including credit profiles of the Company's customers or regional franchisees, historical payments, and current economic trends. The Company reviews the allowance for accounts receivable and notes receivable from regional franchisees by assessing individual accounts receivable and notes receivable. The Company reviews the allowance for accounts receivable from customers by assessing individual accounts receivable over a specific aging and amount. All other balances are pooled based on historical collection experience. The estimate of expected credit losses is based on information about past events, historical loss experience, balances past due by aging category, prior payment history with affected customers, geographic conditions, current economic conditions, and forecasts of future economic conditions that affect the collectability. The Company also takes into account any known disputes or collection issues with customers. Accounts receivable and notes receivable are written-off on a case by case basis, net of any amounts that may be collected. Interest accrues on the notes receivable over the life of the notes. However, interest income is not accrued on notes that are past due. Interest income on such notes is recognized when cash is received. The Company generally does not charge interest on past due customer accounts.

Reinsurance premiums receivable are amounts due from the fronting insurance company, which collects premiums and remits the Company's portion of the annual premiums in equal monthly installments over the term of the policies.

Deferred Reinsurance Acquisition Costs

Deferred reinsurance acquisition costs consist primarily of commissions and other costs that vary with and are primarily related to the production of insurance business and are amortized over the

Jani-King International, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

terms of the underlying policies to which they relate. The portion at the consolidated balance sheet dates, which will be expensed in the future, is deferred and reported as deferred reinsurance acquisition costs.

Property and Equipment

Property and equipment are recorded at cost. Depreciation and amortization are provided using the straight-line method over the following estimated useful lives:

Property and Equipment	Estimated Useful Lives (Years)
Buildings and improvements	20-39
Aircraft	10-20
Furniture, office equipment, and automobiles	5
Leasehold improvements	Useful life of the asset or the lease term, whichever is shorter

All maintenance and repair costs are expensed as incurred. Asset purchases and significant improvements that extend the remaining useful life of an asset are capitalized if the cost is over \$5,000. When assets are sold or otherwise disposed of, the cost and accumulated depreciation or amortization are removed from the accounts, and any resulting gain or loss is reflected in income.

Operating Lease Right-of-Use Assets and Operating Lease Liabilities

Effective January 1, 2022, the Company adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, and all related amendments using the modified retrospective approach.

ASU 2016-02 requires lessees to recognize the assets and liabilities that arise from leases on the balance sheet. At lease inception, leases are classified as either finance leases or operating leases with the associated right-of-use (ROU) asset and lease liability measured at the net present value of future lease payments. Operating leases are expensed on a straight-line basis as lease expense over the non-cancelable lease term. Expenses for finance leases are comprised of the amortization of the ROU asset and interest expense recognized based on the effective interest method.

The new standard provides for several optional practical expedients. Upon transition to Topic 842, the Company elected:

- The package of practical expedients permitted under the transition guidance, which does not require the Company to reassess prior conclusions regarding whether contracts are or contain a lease, lease classification, and initial direct lease costs.

Jani-King International, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

The new standard also provides for several accounting policy elections, as follows:

- When the rate implicit in the lease is not determinable, rather than use the Company's incremental borrowing rate, the Company elected to use a risk-free discount rate for the initial and subsequent measurement of lease liabilities for all leases.
- The Company elected not to apply the recognition requirements to all leases with an original term of 12 months or less, for which the Company is not likely to exercise a renewal option or purchase the asset at the end of the lease; rather, short-term leases will continue to be recorded on a straight-line basis over the lease term.

Additional required disclosures for Topic 842 are contained in Note 7.

Intangible Assets

In January 2014, the FASB issued ASU 2014-02, *Intangibles-Goodwill and Other (Topic 350)*. ASU 2014-02 allows all entities, except public business entities and not-for-profit entities, to amortize goodwill and certain other intangible assets on a straight-line basis over ten years or less than ten years if the entity demonstrates that another useful life is more appropriate.

Intangible assets consisting of franchise rights reacquired from regional franchisees, are stated at cost, and reviewed for impairment 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 the future undiscounted cash flows expected to be generated by the asset. If the carrying value of the asset exceeds the expected future cash flows, impairment exists and is measured as the amount by which the carrying value exceeds the estimated fair value of the asset. No impairment was recorded for the years ended December 31, 2024, 2023, or 2022.

Unearned Reinsurance Premiums

Reinsurance premiums assumed are recognized on a pro-rata basis over the term of the policies. The unearned portion at the consolidated balance sheet dates is included in unearned reinsurance premiums.

Insurance Reserves

Insurance reserves represent the actuarially determined estimate of the costs to settle claims and claims adjustment expenses, including claims that have been incurred but not yet reported, of the Company's insurance subsidiary.

Income Taxes

The Company is a qualified subchapter S subsidiary of the Parent Company under the Internal Revenue Code. As such, the Company does not pay federal corporate income taxes; however, its income and expenses are included in the federal income tax return of the Parent Company. Some states do not recognize the subchapter S filing status and assess taxes directly against the Company, while other states that do recognize the subchapter S filing status require or allow the Company to make tax payments on behalf of its ultimate individual owner. The Company records such payments as income tax expense when incurred.

Jani-King International, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

The Company's foreign subsidiaries are taxed by the jurisdictions in which they operate. Such taxes are included in income tax expense on the consolidated statements of income and comprehensive income as they are incurred.

Accrued income taxes reported in the consolidated financial statements represent state and foreign income taxes payable by the Company.

The Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an examination. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the consolidated financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. There was no amount recorded as a liability for unrecognized tax benefit in any of the periods presented.

Because the Company is a pass-through entity for federal income tax purposes and for substantially all of the state jurisdictions in which it is required to file an income tax return, the effect of any changes in tax positions that result from an examination of its tax returns are borne principally by the Company's ultimate individual owner. The impact of any changes that may be borne by the Company would be highly unlikely to be material to the financial position or results of operations of the Company. Tax returns for 2020 and later are still subject to examination by the federal and state tax authorities.

Any penalties and interest assessed against the Company by taxing authorities are included in income tax expense. There were no such amounts included in income tax expense in the years ended December 31, 2024, 2023, and 2022.

Fair Value of Financial Instruments

In accordance with FASB Accounting Standards Codification (ASC) 820, *Fair Value Measurements*, certain assets and liabilities carried at fair value are categorized based on the level of judgement associated with the inputs used to measure their fair value. The standard establishes a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1 - Inputs are unadjusted quoted market prices in active markets for identical assets or liabilities at the measurement date.

Level 2 - Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date for the duration of the instrument's anticipated life.

Level 3 - Inputs are unobservable and therefore reflect management's best estimate of the assumptions that market participants would use in pricing the asset or liability.

The Company believes the carrying amounts of financial instruments as of December 31, 2024, 2023, and 2022, including cash and cash equivalents, short-term investments, short-term investments, restricted, accounts receivable, notes receivable, notes receivable from related party, accounts payable and accrued expenses, and accounts payable due to related party, approximate their fair values due to their short maturities. The Company believes that its debt balances approximate fair value as they bear interest at market rates.

Jani-King International, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Revenue Recognition

The Company adopted ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, and all subsequent ASUs that modified Topic 606 (ASC 606) effective January 1, 2020. The new guidance clarifies the principles used to recognize revenue for all entities and requires companies to recognize revenue when it transfers goods or services to a customer in an amount that reflects the consideration to which a company expects to be entitled.

The FASB issued ASU 2021-02, *Franchisors - Revenue from Contracts with Customers (Subtopic 952-606)*, creating a practical expedient that simplifies the identification of performance obligations for private company franchisors for certain pre-opening services. The pre-opening services provided by a franchisor to a franchisee can be accounted for as a single performance obligation, distinct from the franchise license. The Company elected to apply the practical expedient allowed by ASU 2021-02, and has elected to account for all qualifying pre-opening activities as a single performance obligation. Pre-opening services per ASU 2021-02 are defined as follows:

- Assistance in the selection of a site.
- Assistance in obtaining facilities and preparing the facilities for their intended use, including related financing, architectural, and engineering services, and lease negotiation.
- Training of the franchisee's personnel of the franchisee.
- Preparation and distribution of manuals and similar material concerning operations, administration, and record keeping.
- Bookkeeping, information technology and advisory services, including setting up the franchisee's records and advising the franchisee about income, real estate, and other taxes or about regulations affecting franchisee's business.
- Inspection, testing, and other quality control programs.

The Company derives its revenue primarily from commercial cleaning services performed by franchisees, royalties from regional franchisees, and franchise sales. The Company accounts for revenue from contracts with customers (commercial cleaning services customers, regional franchises, and unit franchises), which comprises 100% of its revenue, through the following steps:

- Identification of the contract with a customer.
- Identification of the performance obligations in the contract.
- Determination of the transaction price.
- Allocation of the transaction price to the performance obligations in the contract.
- Recognition of revenue when, or as, the Company satisfies a performance obligation.

The Company has a direct contractual relationship, generally for initial and renewal periods of one year, with its commercial cleaning services customers for the services rendered and holds title to the related receivables. The revenue from commercial cleaning services is recognized as the services are performed and is included in commercial cleaning services revenues. Commercial cleaning services revenue amounts are invoiced and due on a monthly basis. The related direct costs (principally payments to the Company's unit franchisees that perform the commercial cleaning

Jani-King International, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

services) are recognized in cost of revenues in the month in which the services are provided. Cost of revenues includes payments to the Company's unit franchisees after deducting payments for variable sales-based fees that range collectively from 14% to 19% of the franchisee's gross sales as well as for product and equipment charges. The variable sales-based fees paid by the unit franchisees include royalty, accounting, technology and advertising fees.

The Company also receives monthly variable sales-based royalty and advertising fees from regional franchisees. These variable sales-based fees range from 3% to 7% of the regional franchisee's gross revenue.

The Company recognizes the sales-based fees as it has the "right to invoice" in the period in which the related sales occur in accordance with the "sales-based royalty" exception. The royalty fees are subject to monthly minimum amounts. When the monthly minimum amount is exceeded, the Company recognizes the variable sales-based royalty fees. When the monthly minimum amount is not exceeded, the Company recognizes the fixed monthly minimum amount.

Advertising fees are recognized in the consolidated statements of income and comprehensive income on a gross basis. All advertising expenses are charged to selling, general, and administrative expense as incurred. When advertising fees are over-spent (expenses exceed the fees), the expenses are not deferred beyond the date they are incurred or beyond the date the advertising first appears. Because the Company does not have the discretion to spend advertising fees on other operating expenses when advertising fees are under-spent (fees exceed the expenses), the Company accrues additional advertising expenses to match the advertising fees recognized.

The Company receives fixed, non-refundable upfront consideration for the sale and transfer of regional and unit franchises, which is related to providing pre-opening services and the sale of franchise rights. Additionally, for regional franchises, the non-refundable upfront transaction price amount includes consideration related to the franchisee's right to use functional intellectual property provided by the Company through the transfer of a proprietary franchise management and sales management, customer relationship management, and accounting software license. The non-refundable upfront transaction price is invoiced and due from the franchisee upon execution of the franchise agreement. The unit franchisee has the option to pay the Company a portion of the upfront transaction price amount over a prescribed time period.

The Company allocates the non-refundable upfront transaction price to the pre-opening services, franchise right, and regional franchise software license performance obligations relative to their standalone selling prices and recognizes these amounts in preopening services and franchise rights. The Company has determined the standalone selling prices of the software license and pre-opening services by using the expected cost plus a margin approach. The Company has used the residual approach to determine the standalone selling price of the franchise right. The Company recognizes franchise software license fee revenue upon the transfer of the software license to the regional franchisee. The Company recognizes pre-opening services revenue over the time period that these services are performed. Because the non-refundable upfront transaction price amount received for the franchise right represents an advance payment for future services to be provided, the Company recognizes franchise right fee revenue ratably over the term of the related franchise agreement beginning at the opening date of the franchise location.

The Company's agreements generally do not include any significant financing components.

Jani-King International, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Performance Obligations

A significant portion of the Company's performance obligations are satisfied over time. The Company satisfies performance obligations for pre-opening services over the time period that these services are provided to the franchisee. The performance obligations related to the franchise right and continuing franchise services, including the accounting, technology services, and advertising are satisfied over time as the franchisee utilizes the franchise right and as the services are rendered each month. The Company satisfies the sale of product (e.g., software license) and equipment performance obligation at the point in time that the product or equipment is delivered to the franchisee.

Sales-based fees are recognized over time using the "sales-based royalty" exception, which states that revenue will be recognized at the later of when the subsequent sales occur or when the satisfaction or partial satisfaction of the performance obligation to which the royalty relates occurs.

The aggregate amount of the upfront transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) for executed agreements includes amounts yet to be recognized from franchise sales and transfer fees. These amounts are reflected in the deferred franchise revenues account, which is classified as a contract liability in the accompanying consolidated balance sheets as shown in the following table:

Year ended December 31,

	2024		2023		2022	
	Amount	(%)	Amount	(%)	Amount	(%)
Deferred franchise revenues, current	\$ 791,472	7.9	\$ 504,383	7.0	\$ 477,079	8.2
Deferred franchise revenues, net of current	9,250,480	92.1	6,740,119	93.0	5,369,869	91.8
Total Deferred Franchise Revenues	\$10,041,952	100.0	\$ 7,244,502	100.0	\$ 5,846,948	100.0

The deferred franchise revenues amount does not include the value of unsatisfied performance obligations related to those agreements for which the Company recognizes revenue at the amount for which it has the right to invoice for services performed. Additionally, this balance does not include revenue related to performance obligations that are part of an agreement with an original expected duration of one year or less. Lastly, this balance does not include variable consideration recognized using the "sales-based royalty" exception.

Jani-King International, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

The following table summarizes deferred revenue activity:

<i>Year ended December 31,</i>	2024	2023	2022
Balance , beginning of year	\$ 7,244,502	\$ 5,846,948	\$ 6,211,125
Fees received from franchise sales and transfer fees	4,926,486	2,672,282	1,263,895
Franchise sales and transfer fees revenue recognized	(2,129,036)	(1,274,728)	(1,628,072)
Balance , end of year	10,041,952	7,244,502	5,846,948
Less: current	(791,472)	(504,383)	(477,079)
Deferred Franchise Revenues , net of current	\$ 9,250,480	\$ 6,740,119	\$ 5,369,869

Disaggregation of Revenue from Contracts with Customers

The following table disaggregates the Company's revenue based on the timing of the transfer of goods and services to its customers:

<i>Year ended December 31,</i>	2024		2023		2022	
	Amount	(%)	Amount	(%)	Amount	(%)
Point in time recognition	\$ 3,016,141	1.7	\$ 3,002,236	1.8	\$ 3,588,312	2.2
Over time recognition	171,231,939	98.3	164,204,050	98.2	177,174,112	97.8
Total Revenues	\$ 174,248,080	100.0	\$ 167,206,286	100.0	\$ 180,762,424	100.0

Neither the type of good or service sold, nor the location of sale significantly impacts the nature, amount, timing, or uncertainty of revenue and cash flows.

Taxes Collected from Customers

In the course of its business, the Company collects various taxes from customers including, but not limited to, sales taxes. Because the amounts of such taxes are determined by various taxing authorities and the Company collects the taxes on behalf of those authorities, the Company does not include the taxes collected as a component of revenues.

Advertising Costs

All advertising expenditures are charged to selling, general, and administrative expenses as incurred. Advertising costs were \$9,092,093, \$8,721,055, and \$8,521,970 for the years ended December 31, 2024, 2023, and 2022, respectively.

Foreign Currency Transactions and Translations

The Company has regional franchisees in several countries outside of the United States. The royalties due to the Company from its non-United States regional franchisees are calculated in the functional

Jani-King International, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

currency of the country in which the regional franchisee operates but are converted to and remitted in United States dollars by the regional franchisee. The Company records those royalties at the amount of United States dollars received.

The Company conducts operations in Brazil, Great Britain, and Belgium through indirectly wholly owned subsidiaries. The functional currency of the Company is the United States dollar. The functional currency of its operations in Brazil is the Brazilian real, in Great Britain the British pound, and in Belgium the euro. Assets and liabilities of the Company's foreign operations are translated into United States dollars at the exchange rate at the consolidated balance sheet dates. Revenues and expenses are translated at the average exchange rate during the applicable period. Adjustments resulting from the translation of foreign currencies into United States dollars are included in the foreign currency translation adjustment, which is a component of accumulated other comprehensive loss in shareholder's equity. As of December 31, 2024, 2023, and 2022, and for each of the years then ended, the assets, liabilities, revenues, and expenses attributable to foreign subsidiaries were not material to the consolidated financial statements of the Company.

There has been no significant fluctuation from the exchange rates used at December 31, 2024, through the date the consolidated financial statements were available to be issued.

Reclassifications

Certain reclassifications have been made to the Company's prior period consolidated financial information in order to conform to the current year presentation. These presentation changes did not impact the Company's consolidated net income, cash flows, total assets, total liabilities, or shareholder's equity.

3. Accounts Receivable, Net

Accounts receivable consist of the following:

<i>December 31,</i>	2024	2023	2022
Trade accounts receivable	\$ 17,903,646	\$ 20,526,070	\$ 17,714,660
Allowance for credit losses	(3,226,000)	(2,974,400)	(2,910,600)
Accounts Receivable, Net	\$ 14,677,646	\$ 17,551,670	\$ 14,804,060

The following table summarizes the activity in the allowance for credit losses:

<i>Year ended December 31,</i>	2024	2023	2022
Balance , beginning of year	\$ 2,974,400	\$ 2,910,600	\$ 2,651,565
Bad debt expense	282,403	71,078	70,849
Accounts written off	(30,803)	(7,278)	188,186
Balance , end of year	\$ 3,226,000	\$ 2,974,400	\$ 2,910,600

There were no account concentrations on December 31, 2024, 2023, and 2022.

Jani-King International, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

4. Property and Equipment, Net

Property and equipment are comprised of the following:

<i>December 31,</i>	2024	2023	2022
Land	\$ 104,116	\$ 104,116	\$ 104,116
Buildings and improvements	5,214,775	5,195,648	5,483,423
Leasehold improvements	610,756	515,420	453,789
Furniture	1,957,506	1,932,225	1,937,421
Office equipment	1,369,385	1,219,926	475,364
Automobiles	1,446,975	1,446,616	1,531,141
Aircraft	5,824,151	5,824,151	5,783,505
	16,527,664	16,238,102	15,768,759
Less: accumulated depreciation	(10,894,685)	(10,671,916)	(10,370,636)
Property and Equipment, Net	\$ 5,632,979	\$ 5,566,186	\$ 5,398,123

Depreciation expense for the years ended December 31, 2024, 2023, and 2022, was \$621,417, \$586,776, and \$614,025, respectively.

5. Intangible Assets, Net

Intangible assets are comprised of the following:

<i>December 31,</i>	2024	2023	2022
Reacquired franchise rights	\$ 3,225,000	\$ 466,637	\$ 1,025,827
Less: accumulated amortization	(134,375)	(466,637)	(1,025,827)
Reacquired Franchise Rights, Net	\$ 3,090,625	\$ -	\$ -

The Company recognized amortization of purchased franchise rights for the years ended December 31, 2024, 2023, and 2022 of \$134,375, \$0, and \$46,652, respectively.

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Jani-King International, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

6. Debt

Debt is comprised of the following:

December 31,

	Interest Rate, December 31, 2024 (%)	Maturity Date	2024	2023	2022
Term loans A and B	6.06	March 25 and July 2027	\$ 2,709,333	\$ 3,636,133	\$ 3,504,600
Term loan secured by airplane	5.96	October 2024	1,304,242	1,536,000	1,792,000
Total Debt			4,013,575	5,172,133	5,296,600
Less: current			(737,648)	(2,462,800)	(1,082,800)
Term Notes Payable, net of current			\$ 3,275,927	\$ 2,709,333	\$ 4,213,800

In June 2019, the Company entered into a credit agreement with its current primary lender providing for up to \$30,860,000 of loans (Credit Facility). In July 2022, the 2019 credit agreement was amended to reduce the provided amount to \$24,418,000 and change the maturity to July 2027.

In December 2024, the 2019 credit agreement was amended to provide for a term loan of \$2,000,000 (Term Loan C), decrease the amount provided to \$24,286,567, and change the maturity as shown below. The amended Credit Facility provided for a revolving credit facility of up to \$14,500,000 (Credit Facility Revolving Loan) and change the maturity to December 2027, a term loan of \$200,000 (Term Loan A) and change the maturity to March 2025, a term loan of \$2,586,567 (Term Loan B) and change the maturity to June 2027, a new term loan of \$2,000,000 (Term Loan C), which included a delayed draw borrowing of up to \$2,000,000, and with a maturity to December 2029, and a revolving credit facility of up to \$5,000,000 (Franchise Advance Revolving Facility) and change the maturity to December 2027.

The Credit Facility Revolving Loan bears interest at daily SOFR plus 1.60%, payable monthly. No amounts were due under the Credit Facility Revolving Loan as of December 31, 2024, 2023, and 2022. The Credit Facility Revolving Loan commitment includes a \$3,000,000 letter of credit sublimit, of which \$1,000,000, \$1,000,000, and \$1,000,000 was used as of December 31, 2024, 2023, and 2022, respectively, that incurs a fee of 1.50% per annum, payable quarterly. The letters of credit issued under the facility are used to support liabilities under reinsurance contracts of the Company's insurance subsidiary.

The Term Loan A for \$3,000,000 was drawn in March 2020 and had a balance outstanding of \$200,000 at the time of the latest amendment and requires payments in monthly installments of \$50,000 on the last day of each month beginning April 2020 and ending March 2025, of principal plus interest at daily SOFR plus 1.60%. The Term Loan A matures in March 2025, and the unpaid balance at that date is due in full. The loan can be repaid in full or in part, without penalty, at any time prior to its maturity.

The Term Loan B for \$3,360,000 was drawn in June 2019 and had a balance outstanding of \$2,586,567 at the time of the latest amendment and requires payments in monthly installments of

Jani-King International, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

(A) \$35,000 monthly for the period beginning July 2021 and ending June 2022, and (B) \$18,900 plus an amount equal to 10% of the principal amount outstanding of the Term B delayed draw divided by 12 monthly for the period beginning July 2022 and ending June 2027 which is \$27,233 of principal plus interest at daily SOFR plus 1.60%. The Term Loan B matures in June 2027, and the unpaid balance at that date is due in full. The loan can be repaid in full or in part, without penalty, at any time prior to its maturity. In 2023 the Company borrowed \$1,000,000 of the available delayed draw.

The Term Loan C for \$2,000,000 was drawn in January 2025 and requires payments in monthly installments of \$23,810 on the last day of each month beginning January 2025 and ending December 2029, of principal plus interest at daily SOFR plus 1.60%. The Term Loan C matures in December 2029, and the unpaid balance at that date is due in full. The loan can be repaid in full or in part, without penalty, at any time prior to its maturity.

No amounts had been drawn on the Franchise Advance Revolving Facility as of December 31, 2024.

The obligations under the Credit Facility are secured by substantially all the Company's assets, including its accounts and notes receivable and a negative pledge of all of its real estate. All obligations of the Company under the Credit Facility are personally guaranteed by the owner of the Parent Company.

The Credit Facility contains various restrictions and covenants, including maintaining certain minimum financial ratios. At December 31, 2024, the Company was in compliance with such requirements.

In November 2019, the Company entered into a credit agreement with its primary lender providing for a term loan for \$2,560,000 (Aircraft Loan) used to purchase an aircraft. The Aircraft Loan required payments in monthly installments of \$21,333 of principal plus interest at 3.095% beginning December 2019 and ending October 2024. The Aircraft Loan matures in November 2024, and the unpaid balance at that date was paid in full.

In November 2024, the Company entered into a credit agreement with its primary lender providing for a term loan for \$1,304,242 (Aircraft Loan) used to refinance an aircraft loan. The Aircraft Loan required payments in monthly installments of \$21,737 of principal plus interest at 1.50% over term SOFR rate beginning January 2025 and ending December 2030. The Aircraft Loan matures in December 2030, and the unpaid balance at that date is due in full.

In April 2020, the Company received a loan (the PPP Loan) from its primary lender in the amount of \$3,035,500, pursuant to the Paycheck Protection Program (the PPP) under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act), which was enacted March 27, 2020. Funds from the PPP Loan may only be used for payroll costs, group health care benefits, mortgage interest, rent, utilities, and interest on other debt obligations incurred before February 15, 2020. The Company used the entire PPP Loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the PPP Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act.

The Company applied for forgiveness of the PPP Loan with the lender on June 27, 2021 and received forgiveness of \$3,035,500 plus accrued interest of \$53,880 on January 14, 2022. The amount of the loan forgiveness was reported as a component of other income in 2022.

Jani-King International, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

As of December 31, 2024, the aggregate maturities of the Company's term notes payable are as follows:

Year ending December 31,

2025	\$	737,648
2026		587,648
2027		2,166,582
2028		260,848
2029		260,849
Total	\$	4,013,575

7. Commitments and Contingencies

Operating Leases

The Company has real property leases for its regional offices and various facilities, used for general operating purposes, with original terms ranging from one year to six and a half years. Generally, the leases have available renewal options that extend the terms of the underlying leases by between three and ten years. For certain of the Company's real property leases, it is responsible for paying variable operating expenses including property taxes, insurance, and maintenance and repair costs.

Leases

ROU assets represent the Company's right to use an underlying asset for the lease term, while lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the commencement date of a lease based on the net present value of lease payments over the lease term.

Certain of the Company's leases include options to renew or terminate the lease. The exercise of lease renewal or early termination options is at the Company's sole discretion. The Company regularly evaluates the renewal and early termination options and when it is reasonably certain of exercise, the Company includes such options in the lease term. Additionally, upon adoption of the new standard, the Company made judgments regarding lease terms for certain of its real property leases that were in month-to-month status or that contained auto-renewal clauses. The Company estimated a lease end date based on the required length of usage of the property and calculated a ROU asset and lease liability with the resulting estimated lease term.

In determining the discount rate used to measure the ROU assets and lease liabilities, the Company uses the rate implicit in the lease, or if not readily available, the Company uses a risk-free rate based on U.S. Treasury notes or bond rates for a similar term.

ROU assets are assessed for impairment in accordance with the Company's long-lived asset policy. The Company reassesses lease classification and remeasures ROU assets and lease liabilities when a lease is modified and that modification is not accounted for as a separate new lease or upon certain other events that require reassessment in accordance with Topic 842.

The Company made significant assumptions and judgments in applying the requirements of Topic 842. In particular, the Company:

Jani-King International, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

- Evaluated whether a contract contains a lease, by considering factors such as whether the Company obtained substantially all rights to control an identifiable underlying asset and whether the lessor has substantive substitution rights.
- Determined whether contracts contain embedded leases.
- Allocated consideration in the contract between lease and non-lease components.

See Note 8 for a discussion of the Company's material leasing transactions with related parties.

The following table summarizes the operating lease ROU assets and operating lease liabilities:

December 31, 2024

Operating lease ROU assets	\$	6,191,114
Operating lease liabilities:		
Current	\$	1,195,520
Long-term		5,192,397
Total Operating Lease Liabilities	\$	6,387,917

Below is a summary of expenses incurred pertaining to leases:

<i>Year ended December 31,</i>	2024	2023	2022
Operating lease expense	\$ 1,524,512	\$ 1,619,952	\$ 1,814,420
Short-term lease expense	16,738	349,168	297,311
Variable lease expense	135,209	160,615	148,482
Total Operating Lease Liabilities	\$ 1,676,459	\$ 2,129,735	\$ 2,260,213

The ROU assets and lease liabilities were calculated using a weighted-average discount rate of 3.54%, 2.36%, and 1.63%, respectively, for the years ended December 31, 2024, 2023, and 2022. As of December 31, 2024, 2023, and 2022, the weighted-average remaining lease term was 7.11 years, 4.69 years, and 4.05 years, respectively.

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Jani-King International, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

The table below summarizes the Company's scheduled future minimum lease payments as of December 31, 2024:

Year ending December 31,

2025	\$	1,395,822
2026		1,307,649
2027		1,020,913
2028		695,976
2029		637,351
Thereafter		2,285,470
Total Future Lease Payments		7,343,181
Less: amount representing interest		(955,264)
Total Lease Liabilities		6,387,917
Less: current portion included in operating lease liabilities		(1,195,520)
Lease Liabilities Included in Operating Lease Liabilities, net of current	\$	5,192,397

Advertising

The Company advertises to maximize the general public recognition and acceptance of its registered trademarks and to promote the commercial cleaning services provided by its franchisees. Advertising typically includes various forms of media including television, on-line, print, vehicle signage, billboards, and large event venues such as athletic stadiums and arenas sponsorship.

Accounts payable and accrued expenses include \$3,041,398, \$2,674,283, and \$3,989,579 at December 31, 2024, 2023, and 2022, respectively, to pay for advertising expenditures to be used to promote the sale of commercial cleaning services to a variety of commercial enterprises, including services to specialized markets such as hospitals and other health care providers, hotels and resorts, schools and other educational institutions, and large event venues such as athletic stadiums and arenas, as well as general brand awareness.

Legal Proceedings

In 2021, the Company agreed to a settlement of two related class action lawsuits in California and a related individual settlement. The settlements (i) require total payments from the Company in the amount of \$15,500,000, (ii) include a release of all claims reasonably related to the litigation, and (iii) specify that the Company will not sell any new commercial cleaning franchises in California until January 1, 2024, unless California law materially changes. As a result of the settlement, the Company's franchisees located in California were dissolved.

The Company entered into service agreements with certain legacy franchisees to continue to provide certain administrative functions related to billing and collections. Amounts recognized in revenue for 2024, 2023, and 2022 related to these agreements were not significant. The settlements were paid in annual installments through 2023. The expense of these settlements, less related imputed interest, is included in legal settlements in the 2021 consolidated statement of income and comprehensive income. During 2024, 2023, and 2022, the Company made payments (including interest) under the settlements totaling \$0, \$3,500,000, and \$5,000,000, respectively. As of December 31, 2024, there are no amounts due related to the foregoing settlement.

Jani-King International, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

In 2024, 2023, and 2022, the Company settled lawsuits with various other parties for payments totaling approximately \$500, \$0, and \$73,000, respectively.

The Company is party to various other legal claims and litigation arising in the normal course of its business. Management does not believe that the results of such claims and litigation, individually or in the aggregate, will have a material adverse effect on the Company's consolidated financial position, results of operations, or cash flows.

Letters of Credit and Other

The Company's insurance subsidiary has obtained \$6,275,000 of irrevocable standby letters of credit in support of its insurance reserves. Letters of credit totaling \$5,275,000 are secured by an equivalent amount of restricted short-term investments of the insurance subsidiary, and the remainder has been issued under the Company's principal credit facility. The investments pledged to support the letters of credit as of each year end are included in restricted short-term investments in the accompanying consolidated balance sheets.

As required by the laws of certain states, the Company has guaranteed the performance and obligations of certain of its regional franchisees to their unit franchisees. The Company has not been called upon to perform under any of these guarantees and believes it is unlikely to be called upon to do so in the future. Therefore, no amount has been recorded in the consolidated financial statements related to such guarantees.

Cybersecurity Incident

The Company experienced a ransomware attack in December 2024. The Company engaged professional services firms to assist with the investigation, and remediation and breach notification. We conducted a detailed review of all files and information that were potentially compromised by the attack. That review recently concluded and we have identified certain personal information that was exposed. All required notifications are being prepared and will be made. Costs incurred relating to this matter have not been material; however, we may incur additional costs in the future, which may be substantial. The Company is unable to estimate the total financial losses from this breach.

8. Related Party Transactions

Note Receivable from Related Party

Notes receivable from related party at December 31, 2022 consists of \$9,487,575 term note to the owner of the Parent Company, bearing interest at 1.70% per annum, which requires monthly payments of \$55,000 (inclusive of principal and interest) through November 2023. In 2023, this note was paid in full.

In 2020, the Company made a \$3,000,000 loan to the owner of the Parent Company. The note bears interest at LIBOR plus 1.5% per annum and required an initial payment of \$500,000 of principal plus interest due on January 31, 2021 and monthly payments of \$50,000 of principal plus interest until maturity in March 2025. The remaining balance as of December 31, 2024 is \$150,000.

Jani-King International, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Leases from Related Parties

The Company leases space for certain of its regional offices from companies directly or indirectly owned by the Parent Company. Such leases have original terms of ten years, include stipulated escalations at various points in the lease term, and contain other terms and conditions typical of similar leases of office space. The Company paid rent of \$72,860, \$72,860, and \$125,905 under these leases during 2024, 2023, and 2022, respectively.

Consulting Agreement with Related Parties

The Company entered into a consulting agreement with the Parent Company in 2023. The Company paid consulting fees of \$7,500,000 under the agreement in 2023. The full amount of these fees are included in selling, general and administrative expenses on the face of the consolidated statements of income and comprehensive income and the related payable is presented as accounts payable to related parties on the consolidated balance sheets. The fees were paid in full in 2024.

Other

The Company received royalties of \$1,037,541, \$1,023,269, and \$1,023,554 in 2024, 2023, and 2022, respectively, from regional franchisees owned in whole or in part by persons who were directors or officers of the Company during such periods.

9. Employee Benefit Plan

The Company sponsors the Jani-King International, Inc., 401(k) Plan (the Plan), which covers all employees of the Company that meet the eligibility requirements. Participants in the Plan are allowed to contribute up to 15% of their pre-tax annual compensation, not to exceed the maximum allowable by IRS regulations. Contributions to the Plan by the Company may be made at the discretion of the Board of Directors. The Company did not make any contributions to the Plan in 2024, 2023, or 2022.

10. Subsequent Events

The Company evaluated events and transactions that occurred after December 31, 2024, through March 31, 2025, the date these consolidated financial statements were available to be issued, and determined no events had occurred that would have significantly affected these consolidated financial statements, other than those previously disclosed.

**Forward Franchising, Inc.
d/b/a Jani-King of Green Bay**

Financial Statements

**As of and For the Years Ended
December 31, 2024, 2023, and 2022**

Together with

Independent Auditor's Report



**Forward Franchising, Inc.
d/b/a Jani-King of Green Bay
December 31, 2024, 2023, and 2022**

TABLE OF CONTENTS

	Page No.
AUDITOR’S REPORT	1 - 2
FINANCIAL STATEMENTS	
Balance Sheets	3
Statements of Income and Retained Earnings	4
Statements of Cash Flows	5
Notes to Financial Statements	6 - 12

Independent Auditor's Report

To the Stockholder of
Forward Franchising, Inc.
d/b/a Jani-King of Green Bay

Opinion

We have audited the accompanying financial statements of Forward Franchising, Inc. d/b/a Jani-King of Green Bay, which comprise the balance sheets as of December 31, 2024, 2023, and 2022, and the related statements of income and accumulated earnings, 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 Forward Franchising, Inc. d/b/a Jani-King of Green Bay as of December 31, 2024, 2023, and 2022, and the results of their operations and their 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 (U.S. GAAS). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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 the entity and to meet the auditor's other ethical responsibilities, in accordance with the relevant ethical requirements relating to the audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued or available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 U.S. GAAS will always detect a



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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 U.S. 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 the entity'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 the auditor's judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

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

Crown Point CPAs, LLC

Crown Point CPAs, LLC

Powell, Ohio
April 30, 2025

Forward Franchising, Inc.
d/b/a Jani-King of Green Bay
Balance Sheets
December 31,

	<u>Assets</u>		
	<u>2024</u>	<u>2023</u>	<u>2022</u>
Current Assets:			
Cash	\$ 55,555	\$ 62,873	\$ 25,106
Accounts Receivable	246,631	115,335	179,091
Inventory	6,775	25,030	10,069
Due From Affiliate	344,638	276,183	28,132
Prepaid Expenses and Other Receivables	<u>13,666</u>	<u>4,560</u>	<u>4,718</u>
Total Current Assets	<u>667,265</u>	<u>483,981</u>	<u>247,116</u>
Property and Equipment (net of accumulated depreciation of \$102,771, \$62,186, and \$42,618)	<u>124,064</u>	<u>164,649</u>	<u>220,182</u>
Other Assets:			
Right-of-Use Asset (net of accumulated amortization of \$98,618, \$65,426, and \$31,978)	81,721	114,913	37,771
Master Franchise Fees (net of accumulated amortization of \$11,375, \$9,625, and \$7,875)	<u>163,625</u>	<u>165,375</u>	<u>167,125</u>
Total Other Assets	<u>245,346</u>	<u>280,288</u>	<u>204,896</u>
Total Assets	\$ <u>1,036,675</u>	\$ <u>928,917</u>	\$ <u>672,194</u>
	<u>Liabilities and Stockholder's Equity</u>		
Current Liabilities:			
Accounts Payable	\$ 27,372	\$ 22,028	\$ 30,812
Amounts Due to Franchisees	290,060	220,936	183,389
Bank Line of Credit	246,678	198,951	0
Accrued Expenses	12,891	2,746	7,222
Long-Term Debt - current	31,348	33,730	36,409
Sales Tax Payable	109	151	216
Operating Lease Liability - current	36,611	34,596	37,579
Deferred Revenue	<u>26,024</u>	<u>68,000</u>	<u>3,000</u>
Total Current Liabilities	<u>671,093</u>	<u>581,138</u>	<u>298,627</u>
Operating Lease Liability - net of current portion	51,986	88,597	6,303
Long-Term Debt - net of current portion	<u>61,808</u>	<u>116,117</u>	<u>166,608</u>
Total Long-Term Liabilities	<u>113,794</u>	<u>204,714</u>	<u>172,911</u>
Total Liabilities	<u>784,887</u>	<u>785,852</u>	<u>471,538</u>
Stockholder's Equity:			
Common Stock	100	100	100
Retained Earnings	<u>251,688</u>	<u>142,965</u>	<u>200,556</u>
Total Stockholder's Equity	<u>251,788</u>	<u>143,065</u>	<u>200,656</u>
Total Liabilities and Stockholder's Equity	\$ <u>1,036,675</u>	\$ <u>928,917</u>	\$ <u>672,194</u>

See Accompanying Notes to Financial Statements

Forward Franchising, Inc.
d/b/a Jani-King of Green Bay
Statements of Income and Accumulated Earnings
For the Years Ended December 31,

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Revenues:			
Janitorial Service Revenues	\$ 3,179,094	\$ 2,874,578	\$ 2,793,909
Franchise Sales	<u>100,476</u>	<u>30,500</u>	<u>7,776</u>
Total Revenues	3,279,570	2,905,078	2,801,685
Cost of Revenues:	<u>2,773,829</u>	<u>2,438,092</u>	<u>2,318,176</u>
Gross Profit	505,742	466,985	483,508
Selling, General and Administrative Expenses:	<u>281,555</u>	<u>293,653</u>	<u>258,320</u>
Earnings before Taxes, Depreciation and Amortization	<u>224,186</u>	<u>173,332</u>	<u>225,189</u>
Other Expenses:			
Loss on Sale of Fixed Assets	0	2,035	0
Interest Expense	33,924	25,873	12,891
Income Taxes	11,804	0	11,856
Depreciation and Amortization	<u>42,335</u>	<u>49,341</u>	<u>35,518</u>
Total Other Expenses	<u>88,063</u>	<u>77,249</u>	<u>60,265</u>
Net Income	136,124	96,083	164,924
Retained Earnings - beginning	142,965	200,556	139,026
Distributions to Stockholder	<u>(27,401)</u>	<u>(153,673)</u>	<u>(103,394)</u>
Retained Earnings - ending	\$ <u><u>251,688</u></u>	\$ <u><u>142,965</u></u>	\$ <u><u>200,556</u></u>

See Accompanying Notes to Financial Statements

Forward Franchising, Inc.
d/b/a Jani-King of Green Bay
Statements of Cash Flows
For the Years Ended December 31,

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities:			
Net Income	\$ 136,124	\$ 96,083	\$ 164,924
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and Amortization	42,335	49,341	35,518
Amortization of right-to-use assets	33,192	77,142	31,978
Loss on Sale of Fixed Assets	0	2,035	0
(Increase) Decrease in:			
Accounts Receivable	(131,297)	63,757	(62,985)
Inventory	18,255	(14,962)	(3,822)
Due From Affiliate	(68,455)	(248,051)	(2,301)
Prepaid Expenses and Other Receivables	(9,106)	(11,734)	969
Increase (Decrease) in:			
Accounts Payable and Accrued Expenses	15,489	(2,039)	895
Amounts Due to Franchisees	69,124	37,547	(14,436)
Sales Tax Payable	(42)	(65)	105
Operating Lease Liability	(34,596)	(79,311)	(25,867)
Deferred Revenue	(41,976)	65,000	2,224
Net Cash Provided by Operating Activities	<u>29,047</u>	<u>34,744</u>	<u>127,202</u>
Cash Flows from Investing Activities:			
Disposals of Property and Equipment	0	44,338	0
Purchases of Equipment	<u>0</u>	<u>(34,093)</u>	<u>(184,258)</u>
Net Cash Provided (Used) by Investing Activities	<u>0</u>	<u>10,245</u>	<u>(184,258)</u>
Cash Flows from Financing Activities:			
Net Proceeds on Line of Credit	47,727	198,951	0
Proceeds from Long-Term Debt	0	31,504	178,936
Payments of Long-Term Debt	(56,691)	(84,675)	(35,728)
Distributions to Stockholder	<u>(27,401)</u>	<u>(153,003)</u>	<u>(103,394)</u>
Net Cash Provided (Used) by Financing Activities	<u>(36,365)</u>	<u>(7,223)</u>	<u>39,814</u>
Net Increase (Decrease) in Cash	(7,318)	37,766	(17,242)
Cash – Beginning of Year	<u>62,873</u>	<u>25,106</u>	<u>42,348</u>
Cash – End of Year	\$ <u><u>55,555</u></u>	\$ <u><u>62,872</u></u>	\$ <u><u>25,106</u></u>
SUPPLEMENTAL DISCLOSURES			
Interest Paid	\$ 33,924	\$ 26,180	\$ 12,891
Income Taxes Paid	\$ 4,000	\$ 24,791	\$ 11,856
Rent Paid	\$ 39,847	\$ 38,352	\$ 27,154
Recognition of right-to-use assets	\$ 0	\$ 117,253	\$ 69,749
Recognition of lease liability	\$ 0	\$ 117,253	\$ 69,749

See Accompanying Notes to Financial Statements

Forward Franchising, Inc.
d/b/a Jani-King of Green Bay
NOTES TO FINANCIAL STATEMENTS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business:

Forward Franchising, Inc., doing business as Jani-King of Green Bay, (the Company), was established in Wisconsin, on March 5, 2018. The Company operates under a regional franchise agreement with Jani-King Franchising, Inc., which grants the exclusive right to use the “Jani-King” system with regards to the operations of a comprehensive cleaning and maintenance business. The Company markets and sells individual franchises for the provision of janitorial services and enters into cleaning service contracts with building owners and/or tenants in Green Bay, Wisconsin, and the surrounding areas including the counties of Adams, Brown County, Calumet, Door, Green Lake, Juneau, Kewaunee, Manitowoc, Marathon, Marquette, Outagamie, Portage, Shawano, Waupaca, Waushara, Winnebago, and Wood counties in the state of Wisconsin.

The Company provides initial and ongoing training, quality control and customer satisfaction monitoring, managerial expertise, accounting and billing services, local advertising support, the non-exclusive use of registered trademarks, and secures customer contracts for franchisees.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates.

Concentrations:

As a regional franchisee of Jani-King Franchising, Inc. (a subsidiary of Jani-King International, Inc.), the Company is dependent on the use of service marks, slogans, and logos owned by the franchisor, as well as the benefit of training materials, national cleaning contracts, advertising, and computer software systems developed by the franchisor. Should the franchisor cease to exist, or the Regional Franchise Agreement otherwise be terminated, such events could have an adverse effect on the Company’s operations.

Revenue Recognition:

The Company reports the amounts billed for janitorial services and amounts earned from franchise sales as gross revenues.

Janitorial Service Revenues:

The Company invoices their customers based upon contractual terms and allocates the total gross billings to the franchisees that perform the actual janitorial services. The Company then charges the franchisees a percentage of the gross amounts that are billed to those customers. In some cases, the franchisee also assumes the credit risk relating to those customers’ receivable balances.

Franchise Sales and Deferred Revenue:

The Company sells non-exclusive franchises for an initial fee based on a plan type, which specifies a minimum gross monthly amount of janitorial service revenue that must be offered to the franchisee. The obligation must be satisfied within a specific time period, commencing once the franchisee completes training, obtains necessary equipment and supplies, and secures certain insurance coverage. The revenue from franchise sales is recognized ratably, based on the cumulative amount of contract revenue offered to franchisees, as compared to the initial revenue obligation associated with the plan type.

Forward Franchising, Inc.
d/b/a Jani-King of Green Bay
NOTES TO FINANCIAL STATEMENTS

Deferred revenue consists of a percentage of the franchisees' initial down payment which the Company has a remaining obligation to provide minimum gross monthly revenues under the initial franchise offering. Deferred revenue is classified as a current or non-current liability based on the expiration date of the obligation period.

Janitorial Service Costs:

The Company deducts franchise fees and finder's fees from the amounts payable to the franchisees for their providing janitorial services. Descriptions of these fees are as follows:

Franchise Fees:

The Company charges their franchisees various fees including royalties, accounting, advertising, and business liability protection based on various percentages of janitorial service revenues. Additional fees and assessments including non-performance and/or non-compliance with Jani-King standards can be charged to the franchisees under the terms of their franchise agreement.

Finder's Fees:

The Company charges franchisees a fee for providing initial and additional business customers. Franchisees may either pay a fee equal to three times the monthly janitorial service revenue upon acceptance or pay an initial down payment and a percentage (ranging between 5% and 20%) of the additional gross monthly revenue, over a stated term of no more than 72 months. Business finder's fees are contingent upon many factors including the continued servicing of the customer contract.

Cash:

The Company maintains cash balances at a financial institution that, at times, exceeds the federally insured limit of \$250,000.

Receivables:

Accounts receivable consists of billings to commercial cleaning customers. The maintenance agreements provide for billings to occur at the beginning of the month in which services are to be rendered, with payment due within 30 days. Pursuant to certain franchise agreements, some accounts over 30 days are charged back to and assumed by the franchisees.

Equipment sales-type leases having terms ranging from 12 to 28 months are collateralized by the underlying equipment and are recorded as capital leases. The amount receivable beyond one year is classified as a non-current asset. The Company recognizes income in the year of origination and considers the deferring of implicit interest income on non-current amounts to be immaterial.

Advances to franchisees include "negative due" amounts that occur when monthly franchisee deductions exceed monthly revenues generated by the franchisee. These balances are classified as other receivables.

Business finder's fees, which are contingent on the performance of future services are not considered to be receivables and are recognized when earned.

The Company continually monitors franchisee receivables for situations in which no net amount of customer cleaning revenue is due to the franchisee after deducting monthly installments of franchisee receivables, monthly franchise fees, and charge backs of customer receivables past 30 days.

Property and Equipment:

Property and equipment purchases costing \$500 or more are capitalized at cost and consist primarily of office furnishings, computer equipment, equipment used for rental and training purposes, and vehicles. Depreciation is

Forward Franchising, Inc.
d/b/a Jani-King of Green Bay
NOTES TO FINANCIAL STATEMENTS

computed using the straight-line method over estimated useful lives of the property ranging from five to seven years.

Property and equipment consist of the following:

	2024		2023		2022
Furniture, Fixtures, and Computers	\$ 16,572	\$	16,572	\$	12,640
Equipment	\$ 8,987	\$	8,987	\$	8,987
Vehicles	\$ 201,276	\$	201,276	\$	241,173
	\$ 226,835	\$	226,835	\$	262,800
Less Accumulated Depreciation	\$ (102,771)	\$	(62,186)	\$	(42,618)
Property and Equipment - Net	\$ 124,064	\$	164,649	\$	220,182

Master Franchise Rights:

The Regional Franchise Agreement, dated March 28, 2018, provides an initial term of 20 years, with four additional 20-year renewal options. The master franchise rights, which upon acquisition were valued at \$175,000, are being amortized on a straight-line basis over a one-hundred-year period.

Accounting Pronouncement Changes:

Leases

Effective January 1, 2022, the Company adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842). The company chose to use the modified retrospective approach. The Company's 2021 financial statements and prior continue to be accounted for under the FASB's Topic 840.

Under ASC 842, lessees must recognize assets and liabilities for leases with terms longer than 12 months, whereas previously they were only required to recognize capital leases. The FASB is now implementing a dual model approach under ASC 842, requiring lessees to classify leases as either operating or finance leases and recognize both on their balance sheet.

The transition guidance within ASC 842 allows the company to elect certain practical expedients to transition, as long as the practical expedients are elected as a package and applied consistently to all leases. The company elects to apply the following practical expedients as part of the adoption transition:

- An entity need not reassess whether any expired or existing contracts are or contain lease.
- An entity need not reassess the lease classification for any expired or existing leases (all operating leases will remain operating leases and all capital leases will become finance leases.)
- An entity need not reassess initial direct costs for any existing leases (842-10-65-1(f)).

Additional required disclosures are contained in Note 3.

Advertising:

The Company expenses advertising costs as they are incurred.

Forward Franchising, Inc.
d/b/a Jani-King of Green Bay
NOTES TO FINANCIAL STATEMENTS

Presentation of Sales Tax:

The State of Wisconsin and various counties within Wisconsin, impose a sales tax on the sale of consumable products and equipment to non-exempt customers. The Company collects the sales tax from customers and remits the entire amount to the State. The Company's accounting policy is to exclude the sales tax that is collected and remitted, from revenues and cost of sales.

Provision for Income Taxes:

The Company has elected to be taxed as a Subchapter "S" Corporation pursuant to the Internal Revenue Code and similar state statute. In lieu of the Company paying federal income tax on earnings, the stockholder is taxed on his proportionate share of the Company's taxable income. Therefore, no provision for federal income taxes is included in the financial statements. In 2020, the Company elected to remit income tax at the entity level to the State of Wisconsin.

Management has evaluated income tax position taken or expected to be taken, if any, on income tax returns filed and the likelihood that, upon examination by relevant jurisdictions, those income tax positions would be sustained. Based on the results of this evaluation, management determined there are no positions that necessitated disclosures and/or adjustments.

The income tax returns filed are not subject to examination by U.S. federal tax authorities for tax years before 2020.

Date of Management's Review:

Management has evaluated the need for disclosures and/or adjustments resulting from subsequent events through April 30, 2025, the date on which the financial statements were available to be issued.

(2) LONG-TERM DEBT

The Company financed the acquisitions of four vehicles whose cumulative outstanding loan balances at December 31, 2024, were \$93,157. The loans are secured by the underlying vehicles and have the following terms:

Vehicle	Monthly Payment	Interest Rate	Maturity Date
Polaris Summit CU	\$ 850	7.509%	March-27
2022 GMC Yukon	\$ 1,657	8.690%	March-28
2022 Terrain	\$ 701	6.221%	September-28

Maturities of long-term debt are as follows:

	2024
2025	\$ 31,348
2026	29,333
2027	30,685
2028	1,790
Future fiscal years thereafter	0
	93,157

Forward Franchising, Inc.
d/b/a Jani-King of Green Bay
NOTES TO FINANCIAL STATEMENTS

(3) OPERATING LEASES

Under the new lease accounting standard, right-of-use assets represent the Company's right to use an underlying asset for the lease term, while lease liabilities represent the Company's obligation to make lease payments arising from the lease. These assets and liabilities are recognized at the commencement date of a lease based on the net present value of lease payments over the lease term.

The Company regularly evaluates lease renewal and termination options and includes them in the lease term when they are reasonably certain of exercise. Furthermore, as part of the adoption of the new standard, the Company had to make judgments regarding lease terms when there are month-to-month terms or autorenewal terms. In such cases, the Company would estimate a lease end date based on the required length of usage of the property and calculated a right-of-use asset and lease liability with the resulting estimated lease term. However, there is a risk that actual lease terms or exercise of renewal or early termination options may differ from the Company's estimates, which could result in adjustments to the right-of-use asset and lease liability, impacting the Company's financial statements.

The Company leases real property for their regional office located in Green Bay, Wisconsin, a real property lease is with an unrelated party. The company also leases equipment under operating leases. The company's leases currently do not contain any renewal periods.

Operating lease expense consisted of the following:

	2024
Operating Lease expense:	
Lease expense to unrelated parties	\$ 36,334
Lease expense to related parties	-
Variable Lease expenses to unrelated parties	-
Variable lease expense to related parties	-
Total Lease Costs	\$ 36,334

In determining the discount rate used to measure the right-of-use assets and lease liabilities, the Company uses the rate implicit in the lease, or if not readily available, the Company uses a risk-free rate based on U.S. Treasury notes for a similar term. Lease term and discount rate for our operating leases were as follows:

	December 31, 2024
Other Operating Lease Information	
Weighted-average remaining lease term (years)	2.33
Weighted-average discount rate	3.01 %

As of December 31, 2024, future fixed minimum lease payments are as follows:

	2024
2025	\$ 38,682
2025	39,649
2026	13,325
2027	-
2028	-
Future fiscal years thereafter	-
	91,655
Less discounting impact on operating leases	3,058
Total operating lease liabilities	88,597
Less current operating lease liabilities	36,611
Non-current operating lease liabilities	\$ 51,986

Forward Franchising, Inc.
d/b/a Jani-King of Green Bay
NOTES TO FINANCIAL STATEMENTS

(4) COMMITMENTS, CONTINGENCIES, AND GUARANTEES

Pursuant to the franchise agreements, if, within the specified time, the Company fails to offer the requisite amount of minimum gross monthly cleaning service revenue corresponding to the type of plan purchased, the Company is contingently liable to pay franchisees three times the amount of the shortfall. Historically, the Company has met its obligations to franchisees without having to perform on the payment guarantee.

The Company is also subject to a minimum royalty agreement with JKI. The agreement commits the Company to remit royalties based upon a scheduled gross revenue amount whether attained or not.

The Company, at times, could be involved in litigation regarding collection disputes, contract obligations and non-competition agreements. At December 31, 2024, management is not aware of any claims or litigation against it, which would have a material effect on the Company's operations or financial condition.

An affiliated entity which manages the accounting and bookkeeping functions of the Company, is operating with a working capital deficiency which might have an adverse effect on the Company's continuing operations. The financial statements do not include any adjustments that might be necessary if the Company is unable to operate under normal business conditions.

The Company entered into a sponsorship agreement with a local sports team in 2024, allowing the Company to advertise protected names and logos until March 31, 2025. Sponsorship costs amounted to \$19,430, \$29,784, and \$33,611, for the years ended December 31, 2024, 2023, and 2022, respectively. The Company is committed to remaining sponsorship payments in the amount of \$4,583, in 2024.

(5) RELATED PARTY TRANSACTIONS

At times, a related entity advance funds on behalf of the Company or the Company advances funds on behalf of the related entity. Balances due to and/or from the related entity are classified as "Due to (From) Affiliate" within the financial statements. No interest is charged on any outstanding balances.

The Company remits payments to franchisees for their previous month's services in the amount of their customer billings net of various fees which include royalty, advertising, accounting, technology, business protection, finder's fees and chargebacks. During the years ended December 31, 2024, 2023, and 2022, the Company incurred \$2,505,154, \$2,212,206, and \$2,196,344 of janitorial service costs to their franchisees, respectively.

The Company had receivable balances consisting of equipment sales and advances owed to them from their franchisees in the amount of \$1,324, \$0, and \$1,570, at December 31, 2024, 2023, and 2022, respectively.

The Company owed their franchisees \$290,060, \$220,936, and \$183,389, in monthly service fees and chargeback amounts at December 31, 2024, 2023, and 2022, respectively.

(6) MAJOR CUSTOMERS

During the fiscal years ended December 31, 2024, 2023, and 2022, the Company had three major customers that represented a combined total of 46.05%, 51.50%, and 52.90%, of its janitorial service revenues, respectively.

(7) REGIONAL FRANCHISE INFORMATION

Obligations under the regional franchise agreement include monthly royalty payments and advertising fees based on specified percentages of gross cleaning service and supply and equipment sales revenue, and a royalty based on a certain percentage of Initial Franchisee Fees, within ten days of the franchisee signing date. The minimum required combined monthly royalty adjusts annually based on an agreed upon schedule.

Forward Franchising, Inc.
d/b/a Jani-King of Green Bay
NOTES TO FINANCIAL STATEMENTS

Royalty and advertising fees incurred by the Company from JKI, for the years ended December 31, 2024, 2023, and 2022, amounted to \$200,107, \$188,058, and \$169,944, respectively.

The Company is required to have a minimum number of active franchise units at all times and use all reasonable efforts to open a pre-determined number of new franchise units per year. The Company is also required to maintain certain minimum insurance coverage. The Agreement is personally guaranteed by the stockholder.

Focus Franchising, Inc.
d/b/a Jani-King of Madison

Financial Statements

As of and For the Years Ended
December 31, 2024, 2023, and 2022

Together with

Independent Auditor's Report



**Focus Franchising, Inc.
d/b/a Jani-King of Madison
December 31, 2024, 2023, and 2022**

TABLE OF CONTENTS

	Page No.
AUDITOR’S REPORT	1 - 2
FINANCIAL STATEMENTS	
Balance Sheets	3
Statements of Income and Accumulated Deficit	4
Statements of Cash Flows	5
Notes to Financial Statements	6 - 12

Independent Auditor's Report

To the Stockholder of
Focus Franchising, Inc.
d/b/a Jani-King of Madison

Opinion

We have audited the accompanying financial statements of Focus Franchising, Inc. d/b/a Jani-King of Madison, which comprise the balance sheets as of December 31, 2024, 2023, and 2022, and the related statements of income and accumulated deficit, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Focus Franchising, Inc. d/b/a Jani-King of Madison as of December 31, 2024, 2023, and 2022, and the results of their operations and their 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 (U.S. GAAS). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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 the entity and to meet the auditor's other ethical responsibilities, in accordance with the relevant ethical requirements relating to the audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued or available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 U.S. GAAS will always detect a



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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 U.S. 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 the entity'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 the auditor's judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

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

Crown Point CPAs, LLC

Crown Point CPAs, LLC

Powell, Ohio
April 30, 2025

Focus Franchising, Inc.
d/b/a Jani-King of Madison
Balance Sheets
December 31,

	<u>Assets</u>		
	<u>2024</u>	<u>2023</u>	<u>2022</u>
Current Assets:			
Cash	\$ 55,254	\$ 69,508	\$ 28,928
Accounts Receivable	284,675	457,713	433,371
Inventory	18,751	42,887	39,849
Prepaid Expenses and Other Receivables	<u>22,414</u>	<u>30,811</u>	<u>28,933</u>
Total Current Assets	<u>381,093</u>	<u>600,919</u>	<u>531,080</u>
Property and Equipment (net of accumulated depreciation of \$137,011, \$95,794, and \$86,955)	<u>165,167</u>	<u>206,380</u>	<u>166,991</u>
Other Assets:			
Security Deposits	1,200	1,200	1,200
Right-of-Use Asset (net of accumulated amortization of \$257,239, \$175,124, and \$86,951)	60,109	146,852	230,397
Goodwill	242,953	242,953	242,953
Master Franchise Fees (net of accumulated amortization of \$7,188, \$6,563, and \$5,938)	55,312	55,937	56,562
Other Assets	<u>0</u>	<u>531</u>	<u>3,454</u>
Total Other Assets	<u>359,574</u>	<u>447,473</u>	<u>534,566</u>
Total Assets	<u>\$ 905,833</u>	<u>\$ 1,254,772</u>	<u>\$ 1,232,637</u>
<u>Liabilities and Stockholder's Deficiency</u>			
Current Liabilities:			
Accounts Payable	\$ 120,431	\$ 63,933	\$ 137,517
Amounts Due to Franchisees	385,301	448,004	425,878
Accrued Expenses	7,686	19,207	27,136
Due to Affiliate	344,638	276,183	28,132
Bank Lines of Credit	249,956	556,670	345,000
Current Portion of Long-Term Debt	94,748	65,248	52,455
Payroll & Sales Tax Payable	1,483	3,763	2,055
Operating Lease Liability - current	56,484	94,448	90,906
Deferred Revenue	<u>0</u>	<u>7,548</u>	<u>2,730</u>
Total Current Liabilities	<u>1,260,727</u>	<u>1,535,003</u>	<u>1,111,809</u>
Operating Lease Liability - net of current portion	0	56,484	150,932
Long-Term Debt - net of current portion	<u>377,127</u>	<u>174,550</u>	<u>191,460</u>
Total Long-Term Liabilities	<u>377,127</u>	<u>231,034</u>	<u>342,392</u>
Total Liabilities	<u>1,637,854</u>	<u>1,766,038</u>	<u>1,454,201</u>
Stockholder's Deficiency:			
Common Stock	500	500	500
Accumulated Deficit	<u>(732,520)</u>	<u>(511,766)</u>	<u>(222,064)</u>
Total Stockholder's Deficiency	<u>(732,020)</u>	<u>(511,266)</u>	<u>(221,564)</u>
Total Liabilities and Stockholder's Deficiency	<u>\$ 905,833</u>	<u>\$ 1,254,772</u>	<u>\$ 1,232,637</u>

See Accompanying Notes to Financial Statements

Focus Franchising, Inc.
d/b/a Jani-King of Madison
Statements of Income and Accumulated Deficit
For the Years Ended December 31,

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Revenues:			
Janitorial Service Revenues	\$ 6,075,035	\$ 6,009,607	\$ 5,863,246
Franchise Sales	<u>7,548</u>	<u>35,182</u>	<u>47,270</u>
Total Revenues	6,082,583	6,044,789	5,910,516
Cost of Revenues:	<u>5,131,940</u>	<u>5,103,788</u>	<u>4,968,592</u>
Gross Profit	950,642	941,001	941,923
Selling, General and Administrative Expenses:	<u>765,532</u>	<u>800,523</u>	<u>707,501</u>
Income From Operations	<u>185,111</u>	<u>140,478</u>	<u>234,422</u>
Other Expenses:			
Loss (Gain) on Sale of Fixed Assets	0	9,439	(22,631)
Interest Expense	49,111	42,758	37,332
Income Tax Expense	4,655	828	15,728
Depreciation and Amortization	<u>41,838</u>	<u>53,726</u>	<u>47,815</u>
Total Other Expenses	<u>95,604</u>	<u>106,751</u>	<u>78,243</u>
Net Income	89,506	33,727	156,179
Retained Earnings (Accumulated Deficit) - beginning	(511,766)	(222,064)	(163,644)
Distributions to Stockholder	<u>(310,261)</u>	<u>(323,429)</u>	<u>(214,599)</u>
Retained Earnings (Accumulated Deficit) - ending	\$ <u><u>(732,520)</u></u>	\$ <u><u>(511,766)</u></u>	\$ <u><u>(222,064)</u></u>

See Accompanying Notes to Financial Statements

Focus Franchising, Inc.
d/b/a Jani-King of Madison
Statements of Cash Flows
For the Years Ended December 31,

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities:			
Net Income	\$ 89,506	\$ 33,727	\$ 156,179
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and Amortization	41,838	53,726	47,815
Amortization of right-to-use assets	86,743	83,545	86,951
Loss (Gain) on Sale of Fixed Assets	0	9,439	(22,631)
(Increase) Decrease in:			
Accounts Receivable	173,038	(24,341)	(104,816)
Inventory	24,136	(3,038)	3,870
Prepaid Expenses and Other Receivables	8,929	1,044	20,415
Increase (Decrease) in:			
Accounts Payable and Accrued Expenses	44,976	(81,512)	6,629
Amounts Due to Franchisees	(62,703)	22,126	75,628
Payroll & Sales Tax Payable	(2,280)	1,708	(1,398)
Operating Lease Liability	(94,448)	(90,906)	(87,467)
Due to Affiliate	68,455	248,051	2,301
Deferred Revenue	(7,548)	4,818	2,730
Net Cash Provided by Operating Activities	<u>370,643</u>	<u>258,386</u>	<u>174,093</u>
Cash Flows from Investing Activities:			
Disposals of Property and Equipment	0	50,499	77,978
Purchases of Property and Equipment	<u>0</u>	<u>(152,429)</u>	<u>(112,166)</u>
Net Cash Used by Investing Activities	<u>0</u>	<u>(101,930)</u>	<u>(34,188)</u>
Cash Flows from Financing Activities:			
Proceeds from Long-Term Debt	339,307	135,980	96,978
Net Proceeds (Payments) on Lines of Credit	(306,714)	211,670	49,537
Payments of Long-Term Debt	(107,230)	(140,097)	(121,623)
Distributions to Stockholder	<u>(310,261)</u>	<u>(323,429)</u>	<u>(214,599)</u>
Net Cash Used by Financing Activities	<u>(384,898)</u>	<u>(115,876)</u>	<u>(189,707)</u>
Net Increase (Decrease) in Cash	(14,255)	40,580	(49,802)
Cash – Beginning of Year	<u>69,508</u>	<u>28,928</u>	<u>78,730</u>
Cash – End of Year	\$ <u><u>55,253</u></u>	\$ <u><u>69,508</u></u>	\$ <u><u>28,928</u></u>

SUPPLEMENTAL DISCLOSURES

Interest Paid	\$ 49,111	\$ 42,758	\$ 37,332
Income Taxes Paid	\$ 0	\$ 24,740	\$ 15,728
Rent Paid	\$ 97,104	\$ 109,699	\$ 91,046
Recognition of right-to-use assets	\$ 0	\$ 0	\$ 317,348
Recognition of lease liability	\$ 0	\$ 0	\$ 329,303

See Accompanying Notes to Financial Statements

Focus Franchising, Inc.
d/b/a Jani-King of Madison
NOTES TO FINANCIAL STATEMENTS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business:

Focus Franchising, Inc., doing business as Jani-King of Madison, (the Company), was established in Wisconsin, on April 25, 2013. The Company operates under a regional franchise agreement with Jani-King Franchising, Inc., which grants the exclusive right to use the “Jani-King” system with regards to the operations of a comprehensive cleaning and maintenance business. The Company markets and sells individual franchises for the provision of janitorial services and enters into cleaning service contracts with building owners and/or tenants in Madison, Wisconsin, and the surrounding areas including the counties of Dane, Sauk, Columbia, Rock, and Green counties in the state of Wisconsin. The Company provides initial and ongoing training, quality control and customer satisfaction monitoring, managerial expertise, accounting and billing services, local advertising support, the non-exclusive use of registered trademarks, and secures customer contracts for franchisees.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates.

Concentrations:

As a regional franchisee of Jani-King Franchising, Inc. (a subsidiary of Jani-King International, Inc. (JKI)), the Company is dependent on the use of service marks, slogans, and logos owned by the franchisor, as well as the benefit of training materials, national cleaning contracts, advertising, and computer software systems developed by the franchisor. Should the franchisor cease to exist, or the Regional Franchise Agreement otherwise be terminated, such events could have an adverse effect on the Company’s operations.

Revenue Recognition:

The Company reports the amounts billed for janitorial services and amounts earned from franchise sales as gross revenues.

Janitorial Service Revenues:

The Company invoices their customers based upon contractual terms and allocates the total gross billings to the franchisees that perform the actual janitorial services. The Company then charges the franchisees a percentage of the gross amounts that are billed to those customers. In some cases, the franchisee also assumes the credit risk relating to those customers’ receivable balances.

Franchise Sales and Deferred Revenue:

The Company sells non-exclusive franchises for an initial fee based on a plan type, which specifies a minimum gross monthly amount of janitorial service revenue that must be offered to the franchisee. The obligation must be satisfied within a specific time period, commencing once the franchisee completes training, obtains necessary equipment and supplies, and secures certain insurance coverage. The revenue from franchise sales is recognized ratably, based on the cumulative amount of contract revenue offered to franchisees, as compared to the initial revenue obligation associated with the plan type.

Deferred revenue consists of a percentage of the franchisees’ initial down payment which the Company has a remaining obligation to provide minimum gross monthly revenues under the initial franchise offering. Deferred revenue is classified as a current or non-current liability based on the expiration date of the obligation period.

Focus Franchising, Inc.
d/b/a Jani-King of Madison
NOTES TO FINANCIAL STATEMENTS

Janitorial Service Costs:

The Company deducts franchise fees and finder's fees from the amounts payable to the franchisees for their providing janitorial services. Descriptions of these fees are as follows:

Franchise Fees:

The Company charges their franchisees various fees including royalties, accounting, advertising, and business liability protection based on various percentages of janitorial service revenues. Additional fees and assessments including non-performance and/or non-compliance with Jani-King standards can be charged to the franchisees under the terms of their franchise agreement.

Finder's Fees:

The Company charges franchisees a fee for providing initial and additional business customers. Franchisees may either pay a fee equal to three times the monthly janitorial service revenue upon acceptance or pay an initial down payment and a percentage (ranging between 5% and 20%) of the additional gross monthly revenue, over a stated term of no more than 72 months. Business finder's fees are contingent upon many factors including the continued servicing of the customer contract.

Cash:

The Company maintains cash balances at a financial institution that, at times, exceeds the federally insured limit of \$250,000.

Receivables:

Accounts receivable consists of billings to commercial cleaning customers. The maintenance agreements provide for billings to occur at the beginning of the month in which services are to be rendered, with payment due within 30 days. Pursuant to certain franchise agreements, some accounts over 30 days are charged back to and assumed by the franchisees.

Equipment sales-type leases having terms ranging from 12 to 28 months are collateralized by the underlying equipment and are recorded as sales-type leases. The amount receivable beyond one year is classified as a non-current asset. The Company recognizes income in the year of origination and considers the deferring of implicit interest income on non-current amounts to be immaterial.

Advances to franchisees include "negative due" amounts that occur when monthly franchisee deductions exceed monthly revenues generated by the franchisee. These balances are classified as other receivables.

Business finder's fees, which are contingent on the performance of future services are not considered to be receivables and are recognized when earned.

The Company continually monitors franchisee receivables for situations in which no net amount of customer cleaning revenue is due to the franchisee after deducting monthly installments of franchisee receivables, monthly franchise fees, and charge backs of customer receivables past 30 days.

Inventory:

Inventory consists of items held for resale such as consumable paper, cleaning supplies and various apparel. The inventory is valued at the lower of cost or market value using the FIFO (first-in, first-out) method.

Focus Franchising, Inc.
d/b/a Jani-King of Madison
NOTES TO FINANCIAL STATEMENTS

Property and Equipment:

Property and equipment purchases costing \$500 or more are capitalized at cost and consist primarily of office furnishings, computer equipment, equipment used for rental and training purposes, and vehicles. Depreciation is computed using the straight-line method over estimated useful lives of the property ranging from five to seven years.

Property and equipment consist of the following:

	2024	2023	2022
Furniture, Fixtures, and Computers	\$ 47,767	\$ 47,763	\$ 73,785
Equipment	\$ 26,544	\$ 26,544	\$ 27,792
Vehicles	\$ 227,867	\$ 227,867	\$ 152,369
	\$ 302,178	\$ 302,174	\$ 253,946
Less Accumulated Depreciation	\$ (137,011)	\$ (95,794)	\$ (86,955)
Property and Equipment - Net	\$ 165,167	\$ 206,380	\$ 166,991

Goodwill:

Goodwill resulting from the acquisition of the business operations of Diamond Franchising, Inc. d/b/a Jani-King of Madison (Seller), on May 31, 2013, is not amortized but is subject to impairment testing. The test determined that the value of goodwill has not been impaired at December 31, 2024.

Accounting Pronouncement Changes:

Leases

Effective January 1, 2022, the Company adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842). The company chose to use the modified retrospective approach. The Company's 2021 financial statements and prior continue to be accounted for under the FASB's Topic 840.

Under ASC 842, lessees must recognize assets and liabilities for leases with terms longer than 12 months, whereas previously they were only required to recognize capital leases. The FASB is now implementing a dual model approach under ASC 842, requiring lessees to classify leases as either operating or finance leases and recognize both on their balance sheet.

The transition guidance within ASC 842 allows the company to elect certain practical expedients to transition, as long as the practical expedients are elected as a package and applied consistently to all leases. The company elects to apply the following practical expedients as part of the adoption transition:

- An entity need not reassess whether any expired or existing contracts are or contain lease.
- An entity need not reassess the lease classification for any expired or existing leases (all operating leases will remain operating leases and all capital leases will become finance leases.)
- An entity need not reassess initial direct costs for any existing leases (842-10-65-1(f)).

Additional required disclosures are contained in Note 4.

Advertising:

The Company expenses advertising costs as they are incurred.

Focus Franchising, Inc.
d/b/a Jani-King of Madison
NOTES TO FINANCIAL STATEMENTS

Presentation of Sales Tax:

The State of Wisconsin and various counties within Wisconsin, impose a sales tax on the sale of consumable products and equipment to non-exempt customers. The Company collects the sales tax from customers and remits the entire amount to the State. The Company's accounting policy is to exclude the sales tax that is collected and remitted, from revenues and cost of sales.

Provision for Income Taxes:

The Company has elected to be taxed as a Subchapter "S" Corporation pursuant to the Internal Revenue Code and similar state statute. In lieu of the Company paying federal income tax on earnings, the stockholder is taxed on his proportionate share of the Company's taxable income. Therefore, no provision for federal income taxes is included in the financial statements. In 2020, the Company elected to remit income tax at the entity level to the State of Wisconsin.

Management has evaluated income tax position taken or expected to be taken, if any, on income tax returns filed and the likelihood that, upon examination by relevant jurisdictions, those income tax positions would be sustained. Based on the results of this evaluation, management determined there are no positions that necessitated disclosures and/or adjustments.

The income tax returns filed are not subject to examination by U.S. federal tax authorities for tax years before 2022.

Date of Management's Review:

Management has evaluated the need for disclosures and/or adjustments resulting from subsequent events through April 30, 2025, the date on which the financial statements were available to be issued.

(2) LONG-TERM DEBT

In July, 2024, the Company refinanced their line of credit, turning the outstanding balance into a term loan with a financial institution. The five-year, self-amortizing note requires monthly payments of principal and interest (fixed at 9.25% per annum) in the amount of \$7,108, and matures in August, 2029. The loan is collateralized by substantially all of the Company's assets, a related company's assets, and the stockholder's life insurance policy. The outstanding loan balance at December 31, 2024, was \$321,875.

The Company financed the acquisitions of four vehicles whose cumulative outstanding loan balances at December 31, 2024, were \$150,510. The loans are secured by the underlying vehicles and have the following terms:

Vehicle	Monthly Payment	Interest Rate	Maturity Date
2021 Ford Edge \$3946	\$ 788	3.900%	November-27
2019 Ford Fiesta	\$ 430	9.793%	November-28
2024 Cadillac CT5	\$ 1,221	9.390%	November-28
2024 GMC Sierra	\$ 1,595	9.300%	December-28

Maturities of long-term debt are as follows:

	2024
2025	\$ 94,748
2026	103,869
2027	112,194
2028	106,145
Future fiscal years thereafter	54,918
	471,875

Focus Franchising, Inc.
d/b/a Jani-King of Madison
NOTES TO FINANCIAL STATEMENTS

(3) BANK LINES OF CREDIT

In June 2023, the Company established a \$350,000, revolving line of credit with a financial institution that requires monthly payments of interest only and matures in June 2026. Interest is charged at the bank's prime lending rate plus 1.00%, but no less than 6.00% per annum.

The line of credit is guaranteed by the stockholder of the Company and is collateralized with substantially all of the Company's assets and a life insurance policy on the stockholder. The outstanding balance at December 31, 2024, was \$249,956, and the interest rate was 9.70% per annum.

(4) OPERATING LEASES

Under the new lease accounting standard, right-of-use assets represent the Company's right to use an underlying asset for the lease term, while lease liabilities represent the Company's obligation to make lease payments arising from the lease. These assets and liabilities are recognized at the commencement date of a lease based on the net present value of lease payments over the lease term.

The Company regularly evaluates lease renewal and termination options and includes them in the lease term when they are reasonably certain of exercise. Furthermore, as part of the adoption of the new standard, the Company had to make judgments regarding lease terms when there are month-to-month terms or autorenewal terms. In such cases, the Company would estimate a lease end date based on the required length of usage of the property and calculated a right-of-use asset and lease liability with the resulting estimated lease term. However, there is a risk that actual lease terms or exercise of renewal or early termination options may differ from the Company's estimates, which could result in adjustments to the right-of-use asset and lease liability, impacting the Company's financial statements.

The Company leases real property for their regional office located in Green Bay, Wisconsin, a real property lease is with an unrelated party. The company also leases equipment under operating leases. The company's leases currently do not contain any renewal periods.

Operating lease expense consisted of the following:

	2024
Operating Lease expense:	
Lease expense to unrelated parties	\$ 90,814
Lease expense to related parties	-
Variable Lease expenses to unrelated parties	-
Variable lease expense to related parties	-
Total Lease Costs	\$ 90,814

In determining the discount rate used to measure the right-of-use assets and lease liabilities, the Company uses the rate implicit in the lease, or if not readily available, the Company uses a risk-free rate based on U.S. Treasury notes for a similar term. Lease term and discount rate for our operating leases were as follows:

	December 31, 2024
Other Operating Lease Information	
Weighted-average remaining lease term (years)	0.58
Weighted-average discount rate	1.37%

As of December 31, 2024, future fixed minimum lease payments are as follows:

Focus Franchising, Inc.
d/b/a Jani-King of Madison
NOTES TO FINANCIAL STATEMENTS

	2024
2025	\$ 56,678
2026	-
2027	-
2028	-
2029	-
Future fiscal years thereafter	-
	56,678
Less discounting impact on operating leases	194
Total operating lease liabilities	56,484
Less current operating lease liabilities	56,484
Non-current operating lease liabilities	\$ 0

(5) INTANGIBLE ASSETS OTHER THAN GOODWILL

Master Franchise Rights:

The Regional Franchise Agreement, dated June 12, 2013, provides an initial term of 20 years, with four additional 20-year renewal options. The master franchise rights, which upon acquisition were valued at \$ 62,500, are being amortized on a straight-line basis over a one-hundred-year period.

(6) COMMITMENTS, CONTINGENCIES, AND GUARANTEES

Pursuant to the franchise agreements, if, within the specified time, the Company fails to offer the requisite amount of minimum gross monthly cleaning service revenue corresponding to the type of plan purchased, the Company is contingently liable to pay franchisees three times the amount of the shortfall. Historically, the Company has met its obligations to franchisees without having to perform on the payment guarantee.

The Company, at times, could be involved in litigation regarding collection disputes, contract obligations and non-competition agreements. At December 31, 2024, management is not aware of any claims or litigation against it, which would have a material effect on the Company's operations or financial condition.

The Company is also subject to a minimum royalty agreement with JKI. The agreement commits the Company to remit royalties based upon a scheduled gross revenue amount whether attained or not.

As shown in the accompanying financial statements, the Company's current liabilities exceeded its current assets by \$879,634. The Company has provided cash flow assistance to an affiliated entity whose ability to repay is uncertain, and distributions in excess of earnings to the stockholder. The ability of the Company to continue as a going concern is dependent upon the Company stabilizing their working capital situation. The financial statements do not include any adjustments that might be necessary if the Company is unable to achieve the above stated actions.

(7) RELATED PARTY TRANSACTIONS

At times, a related entity advances funds on behalf of the Company or the Company advances funds on behalf of the related entity. Balances due to and/or from a related entity are classified as "Due from (To) Affiliate" within the financial statements. No interest is charged on any outstanding balances.

The Company remits payments to franchisees for their previous month's services in the amount of their customer billings net of various fees which include royalty, advertising, accounting, technology, business protection, finder's

Focus Franchising, Inc.
d/b/a Jani-King of Madison
NOTES TO FINANCIAL STATEMENTS

fees and chargebacks. During the years ended December 31, 2024, 2023, and 2022, the Company incurred \$4,596,894, \$4,631,757, and \$4,505,094 of janitorial service costs to their franchisees, respectively.

The Company had receivable balances consisting of equipment leases and advances owed to them from their franchisees in the amounts of \$581, \$4,270, and \$20,870, at December 31, 2024, 2023, and 2022, respectively.

The Company owed their franchisees \$385,301, \$448,004, and \$425,878, in monthly service fees and chargeback amounts at December 31, 2024, 2023, and 2022, respectively.

(8) MAJOR CUSTOMERS

During the fiscal years ended December 31, 2024, 2023 and 2022, the Company had two major customers that represented a combined total of 32.44%, 28.90%, and 30.69%, of its janitorial service revenues, respectively.

(9) REGIONAL FRANCHISE INFORMATION

Obligations under the regional franchise agreement include monthly royalty payments and advertising fees based on specified percentages of gross cleaning service and supply and equipment sales revenue, and a royalty based on a certain percentage of Initial Franchisee Fees, within ten days of the franchisee signing date. The minimum required combined monthly royalty adjusts annually based on an agreed upon schedule.

Royalty and advertising fees incurred by the Company from JKI, for the years ended December 31, 2024, 2023, and 2022, amounted to \$373,351, \$357,143, and \$354,267, respectively.

The Company is required to have a minimum number of active franchise units at all times and use all reasonable efforts to open a pre-determined number of new franchise units per year. The Company is also required to maintain certain minimum insurance coverage. The Agreement is personally guaranteed by the stockholder.

EXHIBIT IX

List of Current Franchisees and Franchisees Who Have Left the System

CURRENT FRANCHISEES OF JANI-KING OF GREEN BAY

2 CHICAS CLEANING L.L.C.
Contact: SANDRA A. & DANIELA S.
GREEN BAY, WI 54302
(920) 401-7490

AMERISUSHI LLC
Contact: MATT NGUNTUNG
APPLETON, WI 54913
(732) 900-9866

D & I CLEANING SERVICES, LLC
Contact: CARLOS HERNANDEZ
NEW LONDON, WI 54961
(920) 636-3150

GABRIEL CAMPOS LLC
Contact: PEDRO GABRIEL DORANTES
GREEN BAY, WI 54304
(920) 316-6404

GUTIERREZ LLC
Contact: ROSA GUTIERREZ
DEPERE, WI 54115
(920) 518-1698

L&A GUTTERS AND SIDING LLC
Contact: LYLABETH CHEVEZ MEJIA
GREEN BAY, WI 54304
(920) 664-6378

MASTERJV LLC
Contact: JULISA BENITEZ-VARGAS
STEVENS POINT, WI 54482
(715) 252-6571

AA SPOTLESS LLC
Contact: ANDREA GONZALES
GREEN BAY, WI 54313
(305) 926-9386

B&K CLEANING SERVICES, LLC
Contact: ISMAEL ATANASIO
NEW LONDON, WI 54961
(920) 858-4239

DAILY CLEANING SERVICES, LLC
Contact: VALENTIN TINOCO
GREEN BAY, WI 54304
(920) 530-1298

GENESIS CLEANING LLC
Contact: LUIS GUILLÉN
GREEN BAY, WI 54304
(920) 265-5592

HE DIAMONDS LLC
Contact: HILDA ESPINOSA
GREEN BAY, WI 54304
(920) 461-2727

LUCERITO LLC
Contact: LUCERO GALLEGOS
DEPERE, WI 54115
(920) 264-7052

MASTERVER LLC
Contact: VICTOR RAMIREZ
GREEN BAY, WI 54304
(920) 371-2098

CURRENT FRANCHISEES OF JANI-KING OF GREEN BAY

MER & VIC CLEANING SERVICES LLC

Contact: VICTOR N. & MERLEN R.
GREEN BAY, WI 54302
(920) 366-3228

R & K BUBBLES LLC

Contact: RODOLFO & KAREN MALDONADO
NEW LONDON, WI 54961
(920) 878-3699

RODRIGUEZ FAMILY SERVICES LLC

Contact: CARMEN RODRIGUEZ
GREEN BAY, WI 54311
(920) 737-7963

STS BUILDING MAINTENANCE LLC

Contact: MAYRA FALCON
MADISON, WI 53718
(608) 235-0081

SUPERLATIVE SR LLC

Contact: SAIRA R. & ANALIA M.
SEYMOUR, WI 54165
(920) 305-2897

YING XIONG CLEANING SERVICES LLC

Contact: YING XIONG
MANITOWOC, WI 54220
(920) 757-3820

PRO MAX PERFORMANCE LLC

Contact: NURY WILSON
SUAMICO, WI 54313
(920) 359-0420

RAMIREZ, LLC

Contact: ROGELIO RAMIREZ LUNA
GREEN BAY, WI 54302
(920) 609-3984

ROMEROS LLC

Contact: JOSE ROMERO
GREEN BAY, WI 54302
(920) 327-1172

SUPER TAVIRA LLC

Contact: NEREO TAVIRA
STEVENS POINT, WI 54481
(715) 697-6482

TOTAL SOLUTIONS, LLC

Contact: KATY HEATH
HOBART, WI 54155
(920) 664-0868

JANI-KING OF GREEN BAY FRANCHISEES WHO HAVE LEFT THE SYSTEM

JESUS & WILLIAMS PRESTIGE LLC

Contact: JESUS VIZCARRA

GREEN BAY, WI 54302

(920) 941-0372

GENESIS SOLUTION LLC

Contact: YASANDRA RIVERA

DEPERE, WI 54115

(504) 666-6735

CURRENT FRANCHISEES OF JANI-KING OF MADISON

AMC CLEANING COMPANY LLC
Contact: MIGUEL CUELLAR
MADISON, WI 53713
(608) 467-9107

BAZ SPARKLE, LLC
Contact: OMAR OSORIO
VERONA, WI 53593
(608) 698-8046

D&Z SOLUTIONS, LLC
Contact: ANA ZUNIGA ESTRADA
MARSHALL, WI 53559
(608) 535-2766

EMETERIO AND LAURA CORTES
MADISON, WI 53717
(608) 807-6260

JM RENOVATION LLC
Contact: JUAN M. & MARICELA M.
MADISON, WI 53713
(608) 220-9917

JOYKO INVESTMENT, LLC
Contact: KENNETH JOHNSON
MADISON, WI 53744
(608) 520-4100

LILIBETH'S LLC
Contact: LILIBETH
JEFFERSON, WI 53549
(956) 460-0214

MANDOS LLC
Contact: ARMANDO MENDEZ
MADISON, WI 53718
(608) 225-1664

MF LLC
Contact: MARIA FLORES
BELOIT, WI 53511
(608) 302-8935

ANDRES REYES ENTERPRISE, LLC
Contact: ANDRES REYES
JANESVILLE, WI 53546
(608) 322-6835

CLEANERS OF NORTH LLC
Contact: PANFILO OREA GONZALEZ
FITCHBURG, WI 53711
(608) 556-3040

DIAMOND GENERAL CLEANING SERVICES, LLC
Contact: KARLA G. ENRIQUEZ VEGA
FITCHBURG, WI 53713
(608) 471-3202

FOUR LAKES CLEANERS INC.
Contact: MOURINE MBAKA
DEFOREST, WI 53532
(608) 852-5891

JMSA COMPANY LLC
Contact: JORGE SANCHEZ
MADISON, WI 53711
(608) 576-1447

LETE-LUEL, LLC
Contact: HABTEAB GHEBREHIWOT
MADISON, WI 53705
(510) 399-9261

LVJ ENTERPRISE, LLC
Contact: LAURA PORTILLO CALDERON
FITCHBURG, WI 53711
(608) 219-6390

MASSAWA LLC
Contact: YOHANNES NEGUSSE
SUN PRAIRE, WI 53590
(608) 590-3154

MORALES ENTERPRISE, LLC
Contact: NICOLAS MORALES
MADISON, WI 53714
(608) 213-8722

CURRENT FRANCHISEES OF JANI-KING OF MADISON

MSA ENTERPRISES, LLC
Contact: ESTELA GOMEZ & ADRIAN GARCIA
MADISON, WI 53713
(608) 556-9203

OCELOTL LLC
Contact: MELISSA OCELOTL
VERONA, WI 53593
(608) 213-7014

REYES FAMILY LLC
Contact: ERICK REYES AND REYNA MARTINEZ
BELOIT, WI 53511
(608) 289-6307

ROB DOMANSKI & CINDY KEMPF, LLC
Contact: CINDY KEMPF AND ROB DOMANSKI
BARABOO, WI 53913
(608) 370-1638

ROGER CLEANING LLC
Contact: ROGELIO ALBINO
FITCHBURG, WI 53713
(608) 471-9895

SEMERE ENTERPRISES, LLC
Contact: SEMERE SIUM
VERONA, WI 53593
(608) 886-5233

SHENG, LLC
Contact: SHENG LEE
DEERFIELD, WI 53531
(608) 772-9630

SSM BERHE LLC
Contact: MULU BERHE
MADISON, WI 53719
(608) 446-1352

SUPREME CLEANING SERVICES, LLC
Contact: MARIA TORRES
MADISON, WI 53713
(608) 338-9049

ZARATE MORALES LLC
Contact: JAVIER ZARATE
MADISON, WI 53704
(608) 556-6845

MVC INDUSTRIAL LLC
Contact: MARIANA CAMPECHANO
MADISON, WI 53704
(608) 800-3208

REHOBOTH PRO-ENET, LLC
Contact: KOAMI ABOTSI
FITCHBURG, WI 53719
(608) 622-5089

RIOS CLEANING SERVICES, LLC
Contact: ANTONIO RUIZ
FITCHBURG, WI 53713
(608) 888-4471

RODRIGUEZ OLIVERA ENTERPRISE, LLC
Contact: SNEILINGHER R. OR ROBERTA O.
JANESVILLE, WI 53546
(608) 395-1301

ROSARIO GARCIA LLC
Contact: ROSARIO GARCIA
FITCHBURG, WI 53719
(608) 772-3473

SERAFIN ENTERPRISES LLC
Contact: SERAFIN CONTRERAS
MADISON, WI 53719
(608) 658-4779

SISAY, LLC
Contact: SISAY SHASHU
FITCHBURG, WI 53711
(608) 886-4758

STS BUILDING MAINTENANCE, LLC
Contact: MAYRA FALCON
MADISON, WI 53718
(608) 235-0081

TENORIO MIDWEST SERVICES, LLC
Contact: JORGE R TENORIO-OLIVERA
MILTON, WI 53563
(608) 445-1968

JANI-KING OF MADISON FRANCHISEES WHO HAVE LEFT THE SYSTEM

D&S SIDING PLUS LLC

Contact: ROSA PAZ
FITCHBURG, WI 53711
(608) 609-7832

GENUINE CLEANING SERVICES LLC

Contact: MARTHA GONZALES
MADISON, WI 53711
(608) 852-5891

HERRLING ENTERPRIZES LLC

Contact: JIM HERRLING
BLACK EARTH, WI 53515
(608) 333-2562

PLANET KINGDOM, LLC

Contact: INE THAO & NKAUJ VANG
DEFOREST, WI 53532
(608) 358-9194

QUALITY FIVE, LLC

Contact: SAI VANG
MADISON, WI 53718
(417) 849-6823

SHANGRILA, LLC

Contact: LOBSANG TSETEN
MADISON, WI 53718
(608) 556-8792

SUPER SHINE, LLC

Contact: PO ZE THAO
RIO, WI 53960
(608) 622-8687

EXHIBIT X
Litigation and Bankruptcy Involving JK INT'L and its Affiliates

EXHIBIT X

LITIGATION

Pending Litigation.

United States Department of Labor vs. Jani-King of Oklahoma, Inc. (Civil Action No. CIV-16-1133-W, United States District Court, District of Western Oklahoma). On September 29, 2016, the U.S. Department of Labor filed a Complaint alleging that Defendant has mischaracterized its franchisees as independent contractors and thus, violated the record keeping requirements of the Fair Labor Standards Act. The Department of Labor is seeking a permanent injunction relating to such allegations and a monetary award for the Department's costs relating to the action. On March 20, 2017, the Court granted Defendant's motion to dismiss the claims without prejudice and granted the Department of Labor 21 days' leave to amend its complaint. The Department of Labor filed an Amended Complaint on April 20, 2017. On June 9, 2017, the Court granted Defendant's motion to dismiss the Amended Complaint with prejudice. The Department of Labor appealed the ruling to the 10th Circuit Federal Court of Appeals and oral arguments were held in May 2018. On October 3, 2018, the 10th Circuit reversed the ruling and remanded the case back to the District Court. After discovery was conducted, each party filed a Motion for Summary Judgment. On November 25, 2020, the Court granted Defendant's motion to stay the case after a proposed new rule was issued by the U.S. Department of Labor regarding independent contractor status. Although a final rule was published in January 2021 and was scheduled to take effect in March 2021, the rule was later postponed and ultimately withdrawn on May 6, 2021, without taking effect. On June 23, 2021, the Court vacated the stay and indicated the Court would take up the pending motions for summary judgment in due course. As of April 1, 2025, the summary judgment motions are still pending before the Court. Defendant denies all allegations and continues to defend itself against the claim.

James Beard v. Jani-King Corporation and River City Franchising, LLC. (Case No. CT-4883-22, Tennessee Circuit Court, 13th Judicial District). Plaintiff is the owner of Genesis Unlimited Corporation, which purchased a Jani-King franchise in 2019 from River City Franchising, LLC ("River City"), a former Jani-King regional franchisor. On December 7, 2022, Plaintiff filed suit for breach of contract against River City and "Jani-King Corporation." Although there is no entity named Jani-King Corporation, in February 2025 Plaintiff directed a Summons to Jani-King International, Inc. Jani-King International, Inc. denies all allegations and intends to defend itself against the claims.

Past Litigation.

Tervon, LLC, Sunyata K. Little and Eleanor E. Little, and Mario Gutierrez v. Jani-King of California, Inc. and Jani-King International, Inc. (Case No. 3:14-CV-00367-BEN-JMA, United States District Court for the Southern District of California). Plaintiffs, former franchisees of Jani-King of California, Inc., originally filed this case in the Superior Court of San Diego County, California on January 15, 2014; however, on February 13, 2014, Defendants removed the case to the United States District Court for the Southern District of California. Plaintiffs filed an amended complaint on March 18, 2014, alleging fraud/deceit by intentional misrepresentation,

violations of California Civil Code §§ 1709 and 1710, fraud/deceit by concealment, negligent misrepresentation, breach of contract, breach of implied covenant of good faith and fair dealing, violations of California Business Code § 17200 et seq., and intentional infliction of emotional distress, and seeking Declaratory Relief. On or about January 7, 2016, the parties reached a settlement as to all claims whereby Jani-King of California, Inc., without admitting any liability, agreed to repurchase the franchises owned by Plaintiffs, pay \$30,000 to Mario Gutierrez, \$61,000 to Sunyata K. Little and Eleanor E. Little, and \$85,000 to Tervon, LLC, and Plaintiffs agreed to dismiss all claims against Defendants, with prejudice, and the parties executed mutual releases.

John Fuller, Maqunair, Rodrigues de Freitas, and Adilson Dos Santos v. Syatt Franchising, Inc. d/b/a Jani-King of Greater Rhode Island, Jani-King International, and Jani-King, Inc. (Case No. 1:15-cv-00438-M-LDA, United States District Court, District of Rhode Island). On October 19, 2015, Plaintiffs (who are unit franchisees of the Jani-King regional franchisor, Defendant Syatt Franchising, Inc.) filed a purported class action against Defendants alleging unjust enrichment, worker misclassification and wage violations in connection with Syatt Franchising, Inc.'s operations in the Commonwealth of Massachusetts. Jani-King International, Inc. and Jani-King, Inc. were not served with notice of the lawsuit until February 2016. The parties reached a settlement agreement pursuant to which, and without admitting liability, the Defendants would agree to pay a class settlement totaling \$450,000 over a two-year period. The Court's approved the settlement on August 17, 2017.

Pamela Myers, Darryl Williams, Wyatt Seals v. Jani-King International, Inc., Jani-King, Inc., and Jani-King of Philadelphia, Inc. (Case Number 090303550, United States District Court, Eastern District of Pennsylvania). On March 20, 2009, Plaintiff filed a class action against JK INT'L, JKI, and Jani-King of Philadelphia, Inc. alleging violation of Pennsylvania minimum wage act, violation of Pennsylvania wage payment and collection law, breach of contract, breach of the duty of good faith and fair dealing, and unjust enrichment. Defendants deny all allegations and have filed a Notice of Removal of this action under 28 U.S.C. §§ 1441, thereby removing this matter from the Court of Common Pleas in Philadelphia County to the United States District Court Eastern District of Pennsylvania. On December 5, 2012, the Court denied the Motion to Transfer, granted the Motion to Dismiss the breach of duty of good faith and fair dealing claim, and denied the Motion to Dismiss the breach of contract claim. On March 10, 2014, the Court granted Plaintiff's Motion for Class Certification. Defendants appealed the Class Certification ruling to the Third Circuit Court of Appeals, which court agreed to hear Defendants' appeal. Briefing and oral arguments were completed on January 20, 2016. On September 21, 2016, the Third Circuit Court of Appeals rejected Defendants' appeal challenging class certification. On October 31, 2016, the Third Circuit Court of Appeals rejected Defendants' petition for an en banc rehearing of their appeal. On August 27, 2019, the Court approved the parties settlement agreement pursuant to which certain of Jani-King of Philadelphia's franchisees agreed to enter into revised franchise agreements, Jani-King of Philadelphia agreed to offer a limited buy-out period for franchisees servicing less than \$5,000 in monthly revenue, Jani-King agreed to make a total payment of \$3,700,000 to the Plaintiff's class, and the case was dismissed with a release of all claims.

Meseret Ayele d/b/a MAE Solutions, LLC v. Jani-King of Houston, Inc. (Cause No. 2015-17798, 55th District Court, Harris County, Texas). Plaintiff is a franchisee of Jani-King of

Houston, Inc. and filed this case on March 26, 2015, alleging breach of contract, violation of the Texas Deceptive Trade Practices Act, fraud, fraudulent inducement, and negligent misrepresentation. Plaintiff was seeking \$487,000 in damages. On October 13, 2015, the Court granted Defendant's Motion for Summary Judgment, dismissing all of Plaintiff's claims. In December 2015, Plaintiff filed a Motion to Vacate the Court's ruling and for a new trial, which the Court denied. On December 24, 2015, Plaintiff moved for the Court to reconsider its decision to deny the Motion to Vacate and for a new trial, which the Court denied. Plaintiff appealed the Court's ruling to the First Court of Appeals. On February 28, 2017, the First Court of Appeals reversed and remanded the case. On January 20, 2018, the parties agreed to settle all of the claims in exchange for a payment of \$34,250 by the Defendant. However, the Plaintiff refused to dismiss its claims as agreed and accept the settlement payment and breached the settlement agreement. In its Second Amended Counterclaim, filed April 19, 2018, the Defendant added a new party to the lawsuit and alleged claims against the Plaintiff and Cross-Defendant for breach of contract. Plaintiff filed Plaintiff's Third Amended Original Petition on October 4, 2018, adding claims for promissory estoppel, and intentional infliction of emotional distress. On February 7, 2019, the Court granted Defendant's Motion to Bifurcate the trial of the parties' claims. A trial took place on the breach of the settlement agreement by Plaintiff on August 20, 2019 and the jury rendered a verdict finding in favor of Jani-King of Houston and ordering the court clerk to tender the \$34,250 deposited by Jani-King to Plaintiff in accordance with the settlement agreement.

Tomas Fernandez, Beatriz Martinez, and Corina Martinez vs. Jani-King International, Inc., Jani-King, Inc., Jani-King of Houston, Inc., Rocket Franchising, Inc., and SCT Enterprises, Inc. (Civ. Action No. 4:17-CV-1401, United States District Court, Southern District of Texas, Houston Division) On May 5, 2017, Plaintiffs, who are franchisees of Rocket Franchising, Inc., filed this action against Defendants alleging that Defendants violated the Fair Labor Standards Act and seeking damages for unpaid overtime and minimum wage. On June 22, 2017, Defendants moved to dismiss Plaintiff's complaint. On January 23, 2018, the Court conditionally granted Defendants' motion to dismiss, but allowed Plaintiffs the opportunity to amend their complaint. On February 6, 2018, Plaintiffs dismissed Defendants, Jani-King International, Inc., Jani-King, Inc. and SCT Enterprises, Inc. and amended their complaint such that only Plaintiffs Beatriz Martinez and Corina Martinez made claims against Jani-King of Houston, Inc. On August 2, 2019, Jani-King of Houston, Inc. filed a counterclaim against Corina Martinez. On September 24, 2019, Jani-King of Houston, Inc. filed a third-party complaint against Martinez 5 Enterprise, LLC. In November 2019, without admitting any wrongdoing or liability, the parties reached a settlement whereby Plaintiffs Beatriz Martinez and Corina Martinez dismissed all claims against Jani-King of Houston, Inc. in exchange for payment in the total amount of \$17,500 and Jani-King of Houston, Inc. dismissed its counterclaim and third-party claim.

Simon Mujo and Indrit Muharremi vs. Jani-King International, Inc., Jani-King, Inc., and Jani-King of Hartford, Inc. (Case 3:16-cv-01990, United States District Court, District of Connecticut). On December 5, 2016, Plaintiffs (who are franchisees of Jani-King of Hartford, Inc.) filed a purported class action against Defendants alleging violation of the Connecticut Minimum Wage Act and unjust enrichment. On March 31, 2018, the Court granted Defendants' motion to dismiss the Connecticut Minimum Wage Act claims but denied Defendants' motion to dismiss the unjust enrichment claims. On January 9, 2019, the Court certified a class on the remaining unjust enrichment claims. On December 21, 2019, the Court granted Defendants'

Motion for Summary Judgment. On December 30, 2019, Plaintiffs moved for reconsideration of the judgment, which the Court denied on January 3, 2020. On January 10, 2020, Plaintiffs appealed to the Second Circuit Court of Appeals. On October 9, 2020, Plaintiffs filed a Motion to Certify Questions to the Connecticut Supreme Court. On September 9, 2021, the Second Circuit affirmed the District Court's dismissal of Plaintiffs' claims and denied Plaintiffs' Motion to Certify. On September 24, 2021, Plaintiffs moved for rehearing En Banc, which the Second Circuit denied on October 14, 2021.

O'Brien Enterprises, LLC and A&A Enterprises, LLC v. B&B Franchising, LLC, Jani-King International, Inc., Jani-King, Inc., and Jani-King Franchising, Inc. (Case No. 1:20-CV-00466-MRB, United States District Court, Southern District of Ohio) A2001829, Court of Common Pleas, Hamilton County, Ohio). Plaintiffs were unit franchises of B&B Franchising, LLC, the Jani-King regional franchisor that owned the rights to the territory. On May 8, 2020, Plaintiffs filed this purported class action against Defendants in the Court of Common Pleas, Hamilton County, Ohio alleging breach of contract, fraud in the inducement, and negligent misrepresentation and fraud against B&B Franchising, LLC, negligent supervision against Jani-King International, Inc., Jani-King, Inc., and Jani-King Franchising, Inc., and tortious interference against all of the Defendants. On June 11, 2020, B&B Franchising, LLC filed a Notice of Removal, thereby removing this matter to the United States District Court for the Southern District of Ohio. Plaintiffs sought unspecified damages, declaratory and injunctive relief, and reformation of their franchise agreements. On April 20, 2021, Jani-King International, Inc., Jani-King, Inc., and Jani-King Franchising, Inc. filed a motion to dismiss Plaintiffs' claims of tortious interference and claims for declaratory and injunctive relief pursuant to Rule 12(b)(6) for failure to state a claim upon which relief can be granted. On September 9, 2021, B&B Franchising, LLC filed an Unopposed Motion to Dismiss all claims of O'Brien Enterprises, LLC. On November 4, 2021, the remaining parties entered into a Settlement Agreement in which B&B Franchising, LLC agreed to pay \$23,500 to A&A Enterprises, LLC and A&A Enterprises agreed to dismiss its claims against all Defendants and executed mutual releases with all Defendants.

Alejandro Juarez, Maria Juarez, Luis A. Romero, and Maria Portillo v. Jani-King International, Inc., Jani-King, Inc. and Jani-King of California, Inc. (Case Number CV-09-3495, United States District Court, Northern District of California). On June 22, 2009, Plaintiff filed a class action against JK INT'L, JKI, and Jani-King of California, Inc. alleging violations of California Corporations Code §§31201 and 31202, intentional misrepresentation, concealment, negligent misrepresentation, breach of contract, violation of labor code §§510, 1182, 1194, 1197, 1198, 2801, 2810, wage order 5-2001, and business and professions code §17200. Defendants denied all allegations and filed a Notice of Removal of this action under 28 U.S.C. §§ 1446 and 1453, thereby removing this matter from the Superior Court of the State of California in and for the County of Alameda to the United States District Court Northern District of California. On October 5, 2009, the court granted Defendants' motion to dismiss with respect to Plaintiffs' causes of actions related to fraud, Plaintiffs' contract claim, and Plaintiffs' claim under California Labor Code section 2810.3. On March 4, 2011, Plaintiffs' Motion to Certify the Class was denied by the Court. On August 17, 2011, Defendants made an Offer of Judgment to Luis A. Romero in which Defendants made no admission that Defendants were liable in this action or that Romero experienced any damages, but offered to settle all of Romero's claims for a total sum of \$50,000. Romero accepted the Offer of Judgment and on September 23, 2011, a Stipulated Entry of Final

Judgment was issued as to Plaintiff Luis A. Romero. On January 23, 2012, the Court granted Defendants' Motion for Summary Judgment on Plaintiffs' labor code claims, fraud claims, claims that Jani-King violated the California Franchise Investment Law and fraudulent practices under business and professions code §17200, and Juarezes' claim for breach of contract. The Court denied Defendants' Motion for Summary Judgment on Plaintiffs' claims for breach of implied covenant, and unlawful practices and unfair business practices under §17200, Portillo's claim for breach of contract, and Defendants' counterclaims against Juarez. On February 16, 2012, the Court granted Plaintiffs' motion for certification of its appeal from the decision on Summary Judgment to the Ninth Circuit Court of Appeals and stayed the case pending resolution of the interlocutory appeal before the Ninth Circuit. On May 10, 2012, the Ninth Circuit denied Plaintiffs permission for interlocutory appeal. On October 31, 2012, without admitting any wrongdoing or liability, Defendants and Maria Escobar (formerly Portillo) entered into a settlement whereby Escobar's franchise agreement with Jani-King of California, Inc. was terminated and Escobar dismissed all claims against Defendants, except for the employment mischaracterization claims, in exchange for payment in the amount of \$50,000. On October 31, 2012, without admitting any wrongdoing or liability, Defendants, and Alejandro and Maria Juarez entered into a settlement whereby the Juarezes' franchise agreements with Jani-King of California, Inc. were terminated and the Juarezes dismissed all claims against Defendants, except for the employment mischaracterization claims, in exchange for a release of Defendants counterclaims and a payment in the amount of \$15,000. On December 14, 2012, Escobar and the Juarezes filed a Notice of Appeal of the Court's Summary Judgment Order with the Ninth Circuit Court of Appeals. In June 2018, the case was remanded back to the United States District Court for the Northern District of California in light of the California Supreme Court's decision in *Dynamex Operations West, Inc. v. Superior Court*, 4 Cal. 5th 903 (2018). On November 21, 2019, the Court stayed this case pending a decision from the California Supreme Court on the certified question of whether *Dynamex Operations West, Inc. v. Superior Court*, 416 P.3d 1 (Cal. 2018) applies retroactively. On January 14, 2021, the California Supreme Court ruled in *Vasquez v. Jan-Pro Franchising International, Inc.*, 478 P.3d 1207 (Cal. 2021) that its decision in *Dynamex* applies retroactively and the Court lifted its stay of this case the following day. In September 2021, Defendants agreed to pay \$150,000 to settle the Juarezes' individual claims. The parties also agreed to a Class Action Settlement Agreement encompassing both this lawsuit and *Jose Chavez and Emilio Montero v. Jani-King of California, Inc., Jani-King, Inc., Jani-King International, Inc.*, with the agreement that the Class Action Settlement Agreement would be filed in the *Chavez* case. The Class Action Settlement Agreement is described below in the summary of the *Chavez* case and received final approval by the *Chavez* court on July 7, 2022. The parties filed a Stipulation of Dismissal on September 21, 2021.

Jose Chavez and Emilio Montero v. Jani-King of California, Inc., Jani-King, Inc., Jani-King International, Inc. (Case No. RG19043517, Superior Court of California, Alameda County). On November 11, 2019, Plaintiffs, who are individuals who purchased franchises from Jani-King of California, Inc. through business entities they owned, filed this action against Defendants alleging that Defendants mischaracterized Plaintiffs as independent contractors in violation of the California Labor Code. Defendants deny all accusations. In September 2021, the parties agreed to a Class Action Settlement Agreement encompassing both this lawsuit and the *Juarez* case described above. Pursuant to the Class Action Settlement Agreement, without admitting liability, Defendants agreed to pay a class settlement totaling \$15,350,000 payable over a two-

year period. The Court granted final approval of the settlement on July 7, 2022 and the settlement became effective on September 7, 2022.

Brian J. Schneider v. Jani-King of Buffalo, Inc. (Case No. SC15074, Town of Amherst Court). Plaintiff is the managing member of Abatis, LLC, a former franchisee of Jani-King of Buffalo, Inc. that was terminated for failure to pay minimum royalties and for abandonment. On May 19, 2022, Plaintiff filed suit against Jani-King of Buffalo, Inc. seeking to recover the initial franchise fee. The parties agreed to a settlement in June 2022. Without admitting any liability, Jani-King of Buffalo, Inc. agreed to pay Plaintiff \$4,000 in exchange for a release of all claims by Plaintiff and Abatis, LLC.

Arcel Enterprises Limited Co. v. Jani-King Franchising, Inc. (Case No. 22-S-00108, Fayette County District Court). On June 7, 2022, Plaintiff, a franchisee of Wildcat Franchising, Inc. d/b/a Jani-King of Lexington (“Wildcat”), filed suit against Jani-King Franchising, Inc. (“JKF”) alleging theft, fraud, and discrimination and seeking to recover its initial franchise fee down payment. On July 26, 2022, JKF filed a Motion to Dismiss for lack of personal jurisdiction and because Plaintiff purchased its franchise from Wildcat and not JKF. On August 5, 2022, the Court postponed ruling on JKF’s Motion to Dismiss and allowed Plaintiff time to add Wildcat as a Defendant. On August 9, 2022, Plaintiff reached a settlement with Wildcat. Pursuant to the settlement, Wildcat agreed to pay Plaintiff \$3,000 and waive a \$7,000 promissory note executed by Plaintiff, and Plaintiff agreed to return certain equipment and cleaning supplies to Wildcat, release all claims against Wildcat and JKF, and dismiss the lawsuit.

Constance Mouanda v. Jani-King International, Inc., Jani-King Leasing Corporation, Jani-King Franchising, Inc. and Cardinal Franchising, Inc. d/b/a Jani-King of Louisville (Case No. 19-CI-00283, Jefferson Circuit Court, Division 12). On January 15, 2019, Plaintiff, who is the sole member of The Matsoumou’s, LLC, a franchisee of Jani-King of Louisville, filed this action against Defendants alleging that Defendants engaged in fraud, failed to pay her the minimum wage under Kentucky law, and breached her franchise agreement. Plaintiff is seeking compensatory and punitive damages, and attorneys’ fees and costs. On June 25, 2019, the Court granted the Defendants’ Motions to Dismiss due to Plaintiff’s lack of standing to bring claims. Plaintiff appealed the Court’s ruling to the Kentucky Court of Appeals on October 21, 2019. On February 5, 2021, the Kentucky Court of Appeals affirmed the dismissal of Plaintiff’s claims. On March 9, 2021, Plaintiff filed a Motion for Discretionary Review with the Supreme Court of Kentucky. On September 22, 2021, the Supreme Court of Kentucky granted discretionary review. On August 18, 2022, the Supreme Court of Kentucky reversed and overturned the dismissal of Plaintiff’s claims of fraud and failure to pay minimum wage, while allowing the dismissal of Plaintiff’s claim for breach of the franchise agreement to stand. On October 25, 2022, Plaintiff filed an Amended Complaint and added Jani-King Franchising, Inc. as an additional Defendant. On October 31, 2022, Jani-King International, Inc., Jani-King Leasing Corporation, and Jani-King Franchising, Inc. filed a Motion to Dismiss the Amended Complaint for lack of personal jurisdiction. On February 24, 2023, the Court denied the Motion to Dismiss and allowed further discovery. On June 7, 2023, the parties entered into a settlement. Without admitting any liability, Cardinal Franchising, Inc. agreed to pay Plaintiff \$55,000, the franchise agreement between The Matsoumou’s, LLC and Cardinal Franchising, Inc. was terminated, and Plaintiff released the Defendants from all claims and dismissed the litigation with prejudice.

Administrative Orders and Decrees.

Commonwealth of Virginia, ex rel. State Corporation Commission v. Jani-King of Washington, D.C., Inc., (Case No. SEC-2012-00015, Commonwealth of Virginia, State Corporation Commission at Richmond) (September 12, 2013). The Commonwealth of Virginia, *ex rel.* State Corporation Commission (the “State”) alleged that Jani-King violated §13.1-563(2) of the Virginia Retail Franchising Act (the “Act”) by selling franchises to be operated in Virginia while omitting certain disclosures concerning its corporate ownership and prior litigation settlements. Jani-King did not admit nor deny the State’s allegations but, on September 12, 2013, entered into a Settlement Order with the State whereby Jani-King: (i) paid to the treasurer of the State \$62,000 in penalties; (ii) paid to the treasurer of the State \$23,000 to defray the State’s costs of investigation; (iii) provided a copy of the Settlement Order to all then-current Virginia franchisees; and, (iv) agreed to not violate the Act in the future.

California v. Jani-King of California, Inc. (Case No. 691-473, Superior Court, Los Angeles County, California). A consent decree was issued on July 19, 1988, based on an inquiry conducted by the California Department of Corporations (“the Department”). On April 25, 1988, an order was issued by the Department which denied and revoked Jani-King of California, Inc.’s registration due to the alleged failure by Jani-King of California, Inc. to comply with Sections 31123 and 31200 of the California Franchise Investment Law. The Department alleged that Jani-King of California, Inc. failed to notify the Department of the issuance of an order dated January 20, 1988 described in the offering circular within the material disclosing the counterclaims in two lawsuits. The Department also alleged that Jani-King of California, Inc. made certain misrepresentations in its franchise offering circular regarding the length and adequacy of franchisee training, the billing and collection practices of Jani-King of California, Inc., the types of customers a franchisee would service, the cost and availability of products offered by Jani-King of California, Inc., and general information about Jani-King Leasing Corporation and its relationship with Jani-King of California, Inc. An agreement was reached with the Department to reinstate Jani-King of California, Inc.’s registration upon satisfaction of certain conditions, including the amendment of the franchise offering circular, and the entry of a permanent injunction the terms of which required a temporary suspension of sales activity for 45 days, retention of competent franchise counsel, completion of certain educational and reporting requirements and the payments of a fine and costs incurred by the Department, and future compliance with the provisions of the California Franchise Investment Law. Jani-King of California, Inc. agreed to the entry of the permanent injunction solely for the purpose of settling the matter and does not admit that the allegations made by the California Department of Corporations are true or that it violated the California Franchise Investment Law. A permanent injunction was entered by the court on July 19, 1988.

On September 18, 1998, the California Department of Corporations issued a Cease and Desist Order against Jani-King of California, Inc., and certain affiliates, ordering them to stop offering and selling franchises in the state of California. On February 16, 1999, the Department of Corporations and Jani-King of California, Inc. entered into a Stipulation and Proposed Order and on February 17, 1999, both parties jointly moved to modify the permanent injunction entered by the court on July 19, 1988, to provide for, among other things, 1) the appointment of an

independent monitor and the imposition of procedures to verify and confirm future compliance with the California Franchise Investment Law, and 2) certain training requirements for salespersons of Jani-King of California, Inc. The Cease and Desist Order was rescinded according to the terms of the Stipulation and Proposed Order. The court entered an order modifying the permanent injunction on February 19, 1999. In August 2002, the independent monitor determined that no significant violation of the California Franchise Investment law or decree had occurred during the last testing period and the monitoring was discontinued.

United States of America v. Jani-King International, Inc., (Civ. No. 395-CV1492-G, United States District Court, Northern District of Texas, Dallas Division). On July 24, 1995, without admitting any liability, JK INT'L agreed to a Stipulated Final Judgment and Order for Permanent Injunction ("the Final Judgment") with the Federal Trade Commission ("FTC"). The FTC alleged that JK INT'L did not comply with the Commission's Trade Regulation Rule entitled "Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures" (the "Franchise Rule") by not properly disclosing JK INT'L's litigation history concerning violations of law during the previous seven fiscal years, by not providing all of the information required concerning existing franchisees, and by making earnings claims without a reasonable basis and without the disclosures required by the Franchise Rule. Under the Final Judgment, JK INT'L is required to comply with the Franchise Rule and agreed to pay \$100,000 to the FTC as a civil penalty. No guilt or innocence was determined, and JK INT'L admitted no liability for any of the matters alleged in the FTC's complaint.

Franchisor Initiated Litigation Involving the Franchise Relationship in the Last Fiscal Year.

None.

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

EXHIBIT XI
Receipts

EXHIBIT XI

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 FOCUS or FORWARD FRANCHISING, INC. dba JANI-KING OF MADISON or GREEN BAY offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law.

If FOCUS or FORWARD FRANCHISING, INC. dba JANI-KING OF MADISON or GREEN BAY does not deliver this disclosure document on time or if it contains a false or misleading statement or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency.

The name, principal business address, and telephone number of the franchise seller offering the franchise is:

Name: JEFFREY WEYKER
Principal Business Address: 6472 RONALD REAGAN AVENUE, MADISON, WI 53704
Telephone Number: (608) 661-1990

Issuance Date: AUGUST 31, 2024

I received a disclosure document dated AUGUST 31, 2024. The disclosure document included the following Exhibits:

EXHIBITS

Exhibit I	Franchise Agreement with Guaranty
Exhibit II	Account Acceptance Agreement
Exhibit III	Office Supply and Advertising Package, Supply and Equipment Package, and Additional Electric Equipment
Exhibit IV	Equipment Lease Agreement and Guaranty of Payment and Performance
Exhibit V	General Release
Exhibit VI	Business Protection Plan Election Form
Exhibit VII	Table of Contents for Manuals
Exhibit VIII	Table of Contents for Manuals
Exhibit IX	List of Current Franchisees and Franchisees Who Have Left the System
Exhibit X	Litigation and Bankruptcy Involving JK INT'L and its Affiliates
Exhibit XI	Receipts

Dated: _____

<hr/> Signature (Individually and as an authorized agent)	<hr/> Name of corporation or limited liability company
<hr/> Print Name	a <hr/> corporation
<hr/> Print Title (if applicable)	a <hr/> limited liability company
<hr/> Address	[Fill in state where applicable entity above was/will be formed]
<hr/> Telephone Number	Referred By: <hr/>

(Sign and return this page)