

## FRANCHISE DISCLOSURE DOCUMENT



MB Franchise Holdings, Inc.  
A Georgia Corporation  
8100 E. Indian School Road, Suite 201  
Scottsdale, AZ 85251  
770-551-9630  
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The franchisee will operate a business that provides supervised team cleaning services to home and light commercial cleanings and offers proprietary and other household products for sale using the trade name “MAID BRIGADE®.”

The total investment necessary to begin operation of a Maid Brigade franchise business is between \$120,616 to \$136,366. This includes \$63,600 that must be paid to the franchisor or affiliates.

This disclosure document summarizes certain provision 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 a different format, contact us 8100 E. Indian School Road, Suite 201, Scottsdale, AZ 85251 or at 770-551-9630 or via email at [rsullins@maidbrigade.net](mailto:rsullins@maidbrigade.net).

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or 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, N.W. Washington DC 20580. You can also visit the FTC's home page at [www.FTC.gov](http://www.FTC.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising. There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: August 1, 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:

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

## What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

### Some States Require Registration

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

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

## Special Risks to Consider About This *Franchise*

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

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by mediation or litigation only in Arizona. Out-of-state mediation or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate or litigate with franchisor in Arizona than in your own state.
2. **Sales Performance Required**. You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.
3. **Mandatory Minimum Payments**. You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
4. **Spousal Liability**. Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
5. **Financial Condition**. The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

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

## INFORMATION FOR RESIDENTS OF THE STATE OF MICHIGAN

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

(A) A PROHIBITION OF THE RIGHT OF A FRANCHISEE TO JOIN AN ASSOCIATION OF FRANCHISEES.

(B) A REQUIREMENT THAT A FRANCHISEE ASSENT TO A RELEASE, ASSIGNMENT, NOVATION, WAIVER, OR ESTOPPEL WHICH DEPRIVES A FRANCHISEE OF RIGHTS AND PROTECTIONS PROVIDED IN THIS ACT. THIS SHALL NOT PRECLUDE A FRANCHISEE, AFTER ENTERING INTO A FRANCHISE AGREEMENT, FROM SETTling ANY AND ALL CLAIMS.

(C) A PROVISION THAT PERMITS A FRANCHISOR TO TERMINATE A FRANCHISE PRIOR TO THE EXPIRATION OF ITS TERM EXCEPT FOR GOOD CAUSE. GOOD CAUSE SHALL INCLUDE THE FAILURE OF THE FRANCHISEE TO COMPLY WITH ANY LAWFUL PROVISION OF THE FRANCHISE AGREEMENT AND TO CURE SUCH FAILURE AFTER BEING GIVEN WRITTEN NOTICE THEREOF AND A REASONABLE OPPORTUNITY, WHICH IN NO EVENT NEED BE MORE THAN 30 DAYS, TO CURE EACH FAILURE.

(D) A PROVISION THAT PERMITS A FRANCHISOR TO REFUSE TO RENEW A FRANCHISE WITHOUT FAIRLY COMPENSATING THE FRANCHISEE BY REPURCHASE OR OTHER MEANS FOR THE FAIR MARKET VALUE AT THE TIME OF EXPIRATION OF THE FRANCHISEE'S INVENTORY, SUPPLIES, EQUIPMENT, FIXTURES, AND FURNISHINGS. PERSONALIZED MATERIALS WHICH HAVE NO VALUE TO THE FRANCHISOR AND INVENTORY, SUPPLIES, EQUIPMENT, FIXTURES, AND FURNISHINGS NOT REASONABLY REQUIRED IN THE CONDUCT OF THE FRANCHISE BUSINESS ARE NOT SUBJECT TO COMPENSATION. THIS SUBSECTION APPLIES ONLY IF (i) THE TERM OF THE FRANCHISE IS LESS THAN 5 YEARS AND (ii) THE FRANCHISEE IS PROHIBITED BY THE FRANCHISE OR OTHER AGREEMENT FROM CONTINUING TO CONDUCT SUBSTANTIALLY THE SAME BUSINESS UNDER ANOTHER TRADEMARK, SERVICE MARK, TRADE NAME, LOGOTYPE, ADVERTISING, OR OTHER COMMERCIAL SYMBOL IN THE SAME AREA SUBSEQUENT TO THE EXPIRATION OF THE FRANCHISE OR THE FRANCHISEE DOES NOT RECEIVE AT LEAST 6 MONTHS NOTICE OF FRANCHISOR'S INTENT NOT TO RENEW THE FRANCHISE.

(E) A PROVISION THAT PERMITS THE FRANCHISOR TO REFUSE TO RENEW A FRANCHISE ON TERMS GENERALLY AVAILABLE TO OTHER FRANCHISEES OF THE SAME CLASS OR TYPE UNDER SIMILAR CIRCUMSTANCES. THIS SECTION DOES NOT REQUIRE A RENEWAL PROVISION.

(F) A PROVISION REQUIRING THAT ARBITRATION OR LITIGATION BE CONDUCTED OUTSIDE THIS STATE. THIS SHALL NOT PRECLUDE THE FRANCHISEE FROM ENTERING INTO AN AGREEMENT, AT THE TIME OF ARBITRATION, TO CONDUCT ARBITRATION AT A LOCATION OUTSIDE THIS STATE.

(G) A PROVISION WHICH PERMITS A FRANCHISOR TO REFUSE TO PERMIT A TRANSFER OF OWNERSHIP OF A FRANCHISE, EXCEPT FOR GOOD CAUSE. THIS SUBDIVISION DOES NOT PREVENT A FRANCHISOR FROM EXERCISING A RIGHT OF FIRST REFUSAL TO PURCHASE THE FRANCHISE. GOOD CAUSE SHALL INCLUDE, BUT IS NOT LIMITED TO:

(i) THE FAILURE OF THE PROPOSED TRANSFEREE TO MEET THE FRANCHISOR'S THEN CURRENT REASONABLE QUALIFICATION OR STANDARDS.

(ii) THE FACT THAT THE PROPOSED TRANSFEREE IS A COMPETITOR OF THE FRANCHISOR OR SUBFRANCHISOR.

(iii) THE UNWILLINGNESS OF THE PROPOSED TRANSFEREE TO AGREE IN WRITING TO COMPLY WITH ALL LAWFUL OBLIGATIONS.

(iv) THE FAILURE OF THE FRANCHISEE OR PROPOSED TRANSFEREE TO PAY ANY SUMS OWING TO THE FRANCHISOR OR TO CURE ANY DEFAULT IN THE FRANCHISE AGREEMENT EXISTING AT THE TIME OF THE PROPOSED TRANSFER.

(H) A PROVISION THAT REQUIRES THE FRANCHISEE TO RESELL TO THE FRANCHISOR ITEMS THAT ARE NOT UNIQUELY IDENTIFIED WITH THE FRANCHISOR. THIS SUBDIVISION DOES NOT PROHIBIT A PROVISION THAT GRANTS TO A FRANCHISOR A RIGHT OF FIRST REFUSAL TO PURCHASE THE ASSETS OF A FRANCHISE ON THE SAME TERMS AND CONDITIONS AS A BONA FIDE THIRD PARTY WILLING AND ABLE TO PURCHASE THOSE ASSETS, NOR DOES THIS SUBDIVISION PROHIBIT A PROVISION THAT GRANTS THE FRANCHISOR THE RIGHT TO ACQUIRE THE ASSETS OF A FRANCHISE FOR THE MARKET OR APPRAISED VALUE OF SUCH ASSETS IF THE FRANCHISEE HAS BREACHED THE LAWFUL PROVISIONS OF THE FRANCHISE AGREEMENT AND HAS FAILED TO CURE THE BREACH IN THE MANNER PROVIDED IN SUBDIVISION (C).

(I) A PROVISION WHICH PERMITS THE FRANCHISOR TO DIRECTLY OR INDIRECTLY CONVEY, ASSIGN, OR OTHERWISE TRANSFER ITS OBLIGATIONS TO FULFILL CONTRACTUAL OBLIGATIONS TO THE FRANCHISEE UNLESS PROVISION HAS BEEN MADE FOR PROVIDING THE REQUIRED CONTRACTUAL SERVICES.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

THE NAME AND ADDRESS OF THE FRANCHISOR'S AGENT IN THIS STATE AUTHORIZED TO RECEIVE SERVICE OF PROCESS IS: MICHIGAN DEPARTMENT OF COMMERCE, CORPORATIONS AND SECURITIES BUREAU, 6546 MERCANTILE WAY, LANSING, MICHIGAN 48910.

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO THE DEPARTMENT OF THE ATTORNEY GENERAL'S OFFICE, CONSUMER PROTECTION DIVISION, ATTN. FRANCHISE SECTION, 670 LAW BUILDING, 525 W. OTTAWA STREET, LANSING, MICHIGAN 48913, 517-373-7117.

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

The franchisor is MB Franchise Holdings, Inc. This Disclosure Document refers to MB Franchise Holdings, Inc. as “we,” “us,” or the “Company.” We refer to the person who buys a franchise from us as “you.” You and we will enter into a Franchise Agreement (Exhibit B to this Disclosure Document). You may assign the Franchise Agreement to a privately held corporation, partnership, or other entity by signing the Corporate Assignment Agreement (Exhibit C to this Disclosure Document). If you do so, “you” also includes your corporation, partnership, or other entity.

### **Corporate Information and History**

We are a Georgia corporation incorporated on May 19, 2020. When we were incorporated, we were a wholly owned subsidiary of Maid Brigade, Inc., which was a Delaware corporation, incorporated on February 8, 1982 and is our Predecessor. Our Predecessor founded the Maid Brigade franchise system and began offering franchises in June 1984. We were formed to own two limited liability companies, which owned and operated two Maid Brigade home cleaning businesses, one in Florida and the other in Tennessee. On September 30, 2024, we merged with our Predecessor, and we are the surviving entity and now serve as the franchisor of the entire Maid Brigade franchise system. Our principal business address 8100 E. Indian School Road, Suite 201, Scottsdale, Arizona 85251. Our telephone number is 770-551-9630. We do business only under the name “Maid Brigade®.”

We list our agents for service of process in Exhibit A. We have no other business activities and have not offered franchises in any other line of business.

### **Predecessors, Parents and Affiliates**

As noted above, our predecessor is Maid Brigade, Inc. Our direct and indirect parent companies include:

PARENT COMPANIES		
Company Name	Principal Business Address	Direct or Indirect Parent
Evive Brands, LLC (“Evive”)	8100 E. Indian School Road, Suite 201 Scottsdale, Arizona 85251	Direct
EHC Holding Company, LLC (“EHCH”)	630 Fifth Avenue, Suite 400 New York, New York 10111	Indirect
Riverside Micro-Cap Fund VI-A, L.P.*	45 Rockefeller Center 630 Fifth Avenue, Suite 400 New York, New York 10111	Indirect

\* Riverside Micro-Cap Fund VI-A, L.P. is part of The Riverside Company, which is a global private equity firm focused on investing in and acquiring growing businesses. Riverside Micro-Cap Fund VI-A, L.P. indirectly acquired our franchise system in May 2025.

We do not have any affiliates that provide goods or services to our franchisees. As further described in the table below, we have 4 affiliates that offer franchises in other lines of business. None of these affiliates have operated a Maid Brigade business.

<b>AFFILIATE FRANCHISING COMPANIES</b>				
<b>Franchised Business</b>	<b>Name of Affiliate Franchisor</b>	<b>Principal Place of Business</b>	<b>Period of Time Franchises Offered by Affiliate</b>	<b>Number of Open Franchisees in US (as of 12/31/2024)</b>
1. Executive Home	Executive Home Care Franchising, LLC	8100 E. Indian School Road, Suite 201 Scottsdale, Arizona 85251	June 2012 to present	22
2. Assisted Living Locators	ALL Franchising, LLC	8100 E. Indian School Road, Suite 201 Scottsdale, Arizona 85251	August 2022 to present	162
3. Brothers Gutters	Brothers Parsons Franchising LLC	8100 E. Indian School Road, Suite 201 Scottsdale, Arizona 85251	November 2023 to present	355
4. Grasons	B & P Burke, LLC	Same as ours	November 2014 to present	61

1. Executive Home Care is a business that provides (a) in-home comprehensive care and non-medical services to home care clients and (b) supplemental healthcare staffing services to institutional clients, all under the service mark EXECUTIVE HOME CARE®.
2. Assisted Living Locators is a home-based business that assists seniors and their families in locating assisted living facilities, memory care communities, nursing homes, senior care homes and independent living senior communities under the service mark ASSISTED LIVING LOCATORS®.
3. Brothers Gutters is a business that provides gutter installation, maintenance, cleaning, repair, and related services and products under the service mark THE BROTHERS THAT JUST DO GUTTERS®.
4. Grasons is a business that specializes in estates sale and business liquidation services under the trade name GRASONS®.

We do not have any other affiliates that offer franchises in this or any other line of business.

**Other Riverside Company Portfolio Franchise Companies**

Through various private equity funds managed by The Riverside Company, the following portfolio companies of The Riverside Company offer franchises in the US:

**EverSmith Brands**

<b>OTHER PORTFOLIO COMPANIES OF THE RIVERSIDE COMPANY (EVERSMITH BRANDS)</b>			
<b>Franchised Business</b>	<b>Name of Franchisor</b>	<b>Principal Place of Business</b>	<b>Number of Open Franchisees in US (as of 12/31/2024)</b>
1. US Lawns	U.S. Lawns, Inc.	6700 Forum Drive, Suite 150 Orlando, Florida 32821	210
2. milliCare Floor & Textile Care	milliCare Franchising, LLC	6700 Forum Drive, Suite 150 Orlando, Florida 32821	59
3. Kitchen Guard	Kitchen Guard Franchising, Inc.	6700 Forum Drive, Suite 150 Orlando, Florida 32821	5
4. Prism Specialties	Restoration Specialties Franchise Group, LLC	6700 Forum Drive, Suite 150 Orlando, Florida 32821	93
5. The Seals	The Seals Franchising, LLC	6700 Forum Drive, Suite 150 Orlando, Florida 32821	4

1. US Laws is a business that offers outdoor commercial property and landscaping services mark US LAWNs.
2. milliCare is a business that offers cleaning and maintenance of floor coverings and interior finishes and related services under the service mark MILLICARE FLOOR & TEXTILE CARE.
3. Kitchen Guard is a business that offers commercial kitchen exhaust system cleaning, inspection, maintenance, and restoration services under the service mark KITCHEN GUARD.
4. Prism Specialties is a business that offers electronic, art, textile and document recovery, repair and restoration services under the service mark PRISM SPECIALTIES.
5. The Seals is a business that sells and installs gaskets for refrigeration door units, freezer doors, oven doors, hardware and cutting board under the service mark THE SEALS.

**Head-To-Toe Brands**

<b>OTHER PORTFOLIO COMPANIES OF THE RIVERSIDE COMPANY (HEAD-TO-TOE BRANDS)</b>			
<b>Franchised Business</b>	<b>Name of Franchisor</b>	<b>Principal Place of Business</b>	<b>Number of Open Franchisees in US (as of 12/31/2024)</b>
1. Bishops	BCC Franchising, LLC	550 Reserve Street, Suite 380 Southlake, Texas 76092	40

**OTHER PORTFOLIO COMPANIES OF THE RIVERSIDE COMPANY  
(HEAD-TO-TOE BRANDS)**

Franchised Business	Name of Franchisor	Principal Place of Business	Number of Open Franchisees in US (as of 12/31/2024)
2. Frenchies Modern Nail Care	Frenchies, LLC	550 Reserve Street, Suite 380 Southlake, Texas 76092	23
3. Lash Lounge	The Lash Franchise Holdings, LLC	550 Reserve Street, Suite 380 Southlake, Texas 76092	140

1. Bishops is a business that offers haircuts, coloring, and barber services under the service mark BISHOPS.
2. Frenchies is a business that offers hand and foot care under the service mark FRENCHIES MODERN NAIL CARE.
3. Lash Lounge is a business that offers permanent and temporary eyelash and eyebrow extensions and other eye enhancing services under the service mark LASH LOUNGE.

**Best Life Brands**

**OTHER PORTFOLIO COMPANIES OF THE RIVERSIDE COMPANY  
(BEST LIFE BRANDS)**

Franchised Business	Name of Franchisor	Principal Place of Business	Number of Open Franchisees in US (as of 12/31/2024)
1. Blue Moon Estate Sales	Blue Moon Franchise Systems, LLC	900 Wilshire Drive, Suite 102 Troy, Michigan 48084	124
2. Boost Home Healthcare	Boost Franchise Systems, LLC	900 Wilshire Drive, Suite 102 Troy, Michigan 48084	6
3. ComForCare Home Care	ComForCare Franchise Systems, LLC	900 Wilshire Drive, Suite 102 Troy, Michigan 48084	248
4. CarePatrol	CarePatrol Franchise Systems, LLC	900 Wilshire Drive, Suite 102 Troy, Michigan 48084	201
5. Next Day Access	Next Day Access, LLC	900 Wilshire Drive, Suite 102 Troy, Michigan 48084	50

1. Blue Moon is a business that sells personal property as well as the provision of consignment sales for those who are downsizing, relocating, or are deceased under the service mark BLUE MOON ESTATE SALES.
2. Boost is a business that offers intermittent care ordered by a doctor and performed by a home health aide

and other licensed healthcare providers to patients of all ages with acute and chronic long-term complex health conditions within the patient’s residence or within health care facilities under the mark BOOST HOME HEALTHCARE.

3. ComForCare is a business that offers (a) companionship and personal/domestic care services, and other special needs services, primarily on a non-medical basis, for seniors and people of all ages so that they may remain in their residences, (b) supplemental healthcare staffing services for persons who need this kind of assistance in their home or a facility in which they reside, and (c) private duty nursing services, all under the mark COMFORCARE HOME CARE.
4. CarePatrol is a business that offers senior living placement, referral, and consulting services to families under the mark CAREPATROL.
5. Next Day is a business that offers ramps and other products and accessories that enhance the life of physically disabled or challenged persons under the mark NEXT DAY ACCESS.

**Threshold Brands**

<b>OTHER PORTFOLIO COMPANIES OF THE RIVERSIDE COMPANY (THRESHOLD BRANDS)</b>			
<b>Franchised Business</b>	<b>Name of Franchisor</b>	<b>Principal Place of Business</b>	<b>Number of Open Franchisees in US (as of 12/31/2024)</b>
1. Maid Pro	Maid Pro Franchise, LLC	77 North Washington Street Boston, Massachusetts 02114	237
2. Men in Kilts	Men in Kilts US, LLC	77 North Washington Street Boston, Massachusetts 02114	23
3. Pestmaster	Pestmaster Franchise Network, LLC	9716 South Virginia Street, Suite E Reno, Nevada 89511	57
4. USA insulation	USA Insulation Franchise, LLC	17700 Saint Clair Avenue Cleveland, Ohio 44110	109
5. Granite Garage Floors	Granite Garage Floors Franchising, LLC	110 Mansell Circle, Suite 375 Roswell, Georgia 30075	55
6. Mold Medics	Mold Medics Franchising, LLC	811 Washington Avenue Carnegie, Pennsylvania 15106	6
7. Sir Grout	Sir Grout Franchising, LLC	77 North Washington Street Boston, Massachusetts 02114	71
8. Miracle Method	Miracle Method, LLC	4310 Arrowswest Drive Colorado Springs, Colorado 80907	201 (2 Master franchises)
9. Plumbing Paramedics	PHP Franchise, LLC	750 E. 150 <sup>th</sup> Street Noblesville, Indiana 46060	15
11. Heating + Air Paramedics	PHP Franchise, LLC	750 E. 150 <sup>th</sup> Street Noblesville, Indiana 46060	14

1. Maid Pro is a business that offers home cleaning services for residential and commercial customers under the mark MAID PRO.
2. Men in Kilts is a business that offers window cleaning, gutter cleaning, pressure washing, siding cleaning, snow removal and other related services under the mark MEN IN KILTS.
3. Pestmaster is a business that offers structural and agricultural pest control and related services under the mark PESTMASTER.
4. USA Insulation is a business that offers residential insulation services under the mark USA INSULATION.
5. Granite Garage Floors is a business that sells and installs residential garage floor coating systems under the mark GRANITE GARAGE FLOORS.
6. Mold Medics is a business that offers mold remediation, air duct cleaning, radon testing and mitigation services, and other services and products under the mark MOLD MEDICS.
7. Sir Grout is a business that offers grout and tile cleaning, sealing, caulking and restoration services and other services under the mark SIR GROUT.
8. Miracle Method is a business that offers refinishing and restoration of bathtubs, sinks, showers, tiles, countertops and similar surfaces under the mark MIRACLE METHOD.
9. Plumbing Paramedics is a business that offers plumbing service franchises under the mark PLUMBING PARAMEDICS.
10. Heating + Air Paramedics is a business that offers heating and air conditioning installation and service franchises under the mark HEATING + AIR PARAMEDICS.

### **Our Business**

We grant Maid Brigade franchises for the operation of a light household and light commercial cleaning business. As a Maid Brigade franchisee, you will:

- Receive a license to operate a business under the trade names, trademarks, service marks, logotypes, and commercial symbols that we designate, including the service mark “Maid Brigade®” (collectively, the “Marks”);
- Receive a specific geographic territory where you will have the exclusive right to operate the Maid Brigade business (the “Operating Territory”);
- Gain access to customers through our Internet alliances and partnerships;
- Use our proprietary Maid Brigade marketing programs and advertising including on-line scheduling (where available) through our public Web site.
- Obtain our assistance in matters like marketing, management, products, financial planning, and services;
- Use our private Maid Brigade internet site accessible by Maid Brigade franchisees only, including its Vision Analysis System™; and
- Gain access to the full array of proprietary products and services we offer, including our confidential business information, business format, methods, specifications, expertise, Total Management Software Solution catalogs with ordering capability and Marks.

You will operate the business under our Franchise Agreement. We refer to the right to operate under our Franchise Agreement, to use our Marks and other intellectual property, and to receive the other benefits we

list above, as the Maid Brigade “System.” We refer to the business you operate under the Maid Brigade System as the “Franchise” or the “Franchised Business.”

The cleaning services you will offer include dusting, mopping, vacuuming, and tidying or any other services we deem necessary. Generally, two of your employees will perform cleaning services at each customer’s home. Your main duties will be to instruct and supervise your employees and to promote and develop the Franchised Business.

Although you will offer services to the general public, your primary market will be middle- to upper-income households. Although those income levels can vary somewhat from market to Market, in general these will be households with an annual income in excess of \$100,000. You will build your customer base through the use of internet advertising, including the Maid Brigade consumer website, [www.maidbrigade.com](http://www.maidbrigade.com). You will also utilize centralized marketing programs offered by us and through various traditional methods of advertising. We encourage you to enter into strategic alliances with apartment managers, realtors, employers, and other service-oriented businesses in the territory that can give you referrals.

You will operate the Franchised Business from an approved location. You will offer light daytime cleaning services for homes and for businesses that operate primarily from business parks and low-rise office buildings. You will purchase certain items from us or our designated suppliers. See Item 8 of this Disclosure Document.

### **Competition**

The market for cleaning services is well-established and developed. You will compete with other businesses that offer cleaning services, including other franchised operations, and with local independent services like housekeepers, nannies, maids, and commercial cleaning services that enter the residential market. We believe that the Maid Brigade System will give you a competitive advantage over others in the market.

### **Regulatory Matters**

We are not aware of any regulations specific to the residential or light commercial cleaning industry. However, you must comply with all laws and regulations that apply to businesses in general. We strongly encourage you to investigate these laws and their possible effect on the Franchised Business.

## **ITEM 2 BUSINESS EXPERIENCE**

### **Chief Executive Officer: Ryan Parsons**

Mr. Parsons has served as our Chief Executive Officer since May 2025. Since November 2023, he has held the same position with our parent Evive and our affiliates Executive Home Care Franchising, LLC, ALL Franchising, LLC, Brothers Parsons Franchising LLC and B & P Burke, LLC. From July 2014 to November 2023, he served as co-founder and Vice President of our affiliate, Brothers Parsons Franchising LLC, and its predecessor, The Brothers Franchising, Corp. Since 2002, Mr. Parsons has also served as the Vice President of Brothers Parsons HV LLC f/k/a The Brothers That Just Do Gutters HV, Inc., which owns and operates the original The Brothers That Just Do Gutters business located in Poughkeepsie, New York.

**President, Secretary and Manager: Caroline Quoyeser**

Ms. Quoyeser has served as our Manager, President and Secretary since May 2025. She has held the same positions with our parent Evive (since February 2023) and our affiliates Executive Home Care Franchising, LLC (since November 2021), ALL Franchising, LLC (since August 2022), Brothers Parsons Franchising LLC (since November, 2023) and B & P Burke, LLC (since November 2021). Ms. Quoyeser has served as a Senior Associate (June 2021 to January 2023) and Assistant Vice President (January 2023 to present) of The Riverside Company in its Los Angeles, California office.

**Chief Growth Officer: Jason Wiedder**

Mr. Wiedder has served as our Chief Growth Officer since May 2025. He has held the same positions with our parent Evive (since February 2023) and our affiliates Executive Home Care Franchising, LLC (since December 2021), ALL Franchising, LLC (since August 2022), Brothers Parsons Franchising LLC (since November, 2023) and B & P Burke, LLC (since December 2021). From March 2018 to December 2021, he served as Vice President of Franchise Development for Always Best Care located in Roseville, California.

**Vice President and Manager: L. Joseph Lee**

Mr. Lee has served as our Manager and Vice President since May 2025. He has held the same positions with our parent Evive (since February 2023) and our affiliates Executive Home Care Franchising, LLC (since November 2021), ALL Franchising, LLC (since August 2022), Brothers Parsons Franchising LLC (since November, 2023) and B & P Burke, LLC (since November 2021). Mr. Lee joined The Riverside Company in March 2006 as a Principal in its Cleveland, Ohio office. He has served as a Senior Partner since April 2013.

**Chief Financial Officer: Gregory Esgar**

Mr. Esgar has served as our Chief Financial Officer since May 2025. He has held the same position with our parent Evive (since August 2023) and our affiliates Executive Home Care Franchising, LLC (since May 2022), ALL Franchising, LLC (since August 2022), Brothers Parsons Franchising LLC (since November, 2023) and B & P Burke, LLC (since May 2022). From April 2018 to May 2022, Mr. Esgar served as Chief Financial Officer for Prose Franchising in Phoenix, Arizona.

**President: Raychel Leong-Sullins**

Ms. Leong-Sullins has served as our President since May 2020.

**Vice President of Franchise Recruitment: Joel Lazarovitz**

Mr. Lazarovitz has served as our Vice President of Franchise Recruitment since September 2024. He served as our predecessor's Vice-President of Franchise Recruitment from November 2012 to September 2024.

**ITEM 3 LITIGATION**

The following Settlement Order is currently effective against our affiliate Brothers Parsons Franchising LLC:

On January 6, 2016, our affiliate's predecessor, The Brothers Franchising, Corp., entered into a Settlement Order with the Commonwealth of Virginia, State Corporation Commission, Division of Securities and Retail Franchising relating to an unregistered sale of a franchise territory in Virginia (case number SEC-2015-00056). The

transaction at issue involved the sale of a The Brothers That Just Do Gutters franchise territory in Virginia to the father of Ryan and Ken Parsons (who are the co-founders of that franchise system) before the franchise was registered in Virginia. The Settlement Order: (a) required The Brothers Franchising, Corp. to pay a \$2,000 penalty plus \$500 for the cost of the investigation; and (b) prohibited The Brothers Franchising, Corp. and its successors from violating Virginia’s Retail Franchising Act in the future.

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

**ITEM 4 BANKRUPTCY**

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

**ITEM 5 INITIAL FEES**

**Initial Franchise Fee**

When you sign a Franchise Agreement, you must pay us in full a lump sum nonrefundable initial franchise fee of \$49,900. We offer the following discounts:

Type of Discount*	Discount	Qualifications for Discount
Veterans Discount	10% discount	Person holding at least a 51% interest in the franchise is an honorably discharged veteran of any branch of the United States military and provides Form DD-214.
Multi-Unit Discount	Franchise 1 – No discount Franchise 2 – \$10,000 discount Franchise 3 and up – \$15,000 discount	You must (a) purchase 2 or more Franchises from us at the same time, (b) sign Franchise Agreements for all of the Franchises at the same time, (c) pay full \$49,900 initial franchise fee for 1 <sup>st</sup> Franchise and discounted initial franchise fee for each additional Franchise at same time.

\* If you qualify for the Multi-Unit Discount and the Veterans Discount, you will receive the Multi-Unit Discount plus an additional 10% off the total aggregate discounted initial franchise fees.

The initial franchise fee is uniformly imposed except for the discounts disclosed above.

**Initial Inventory Package**

You must purchase your opening inventory, which we call your “Initial Package,” from us. The cost for the Initial Package is \$4,600 and is due when you sign the Franchise Agreement. This amount is not refundable under any circumstances. The Initial Package includes your initial inventory of equipment and supplies; cleaning solutions; advertising and marketing materials like business cards and sales materials; Maid Brigade uniforms; and access to our Confidential Operations Manual and training manuals, which we publish on our private website. The fee for the Initial Package is not refundable under any circumstances. Please note, included within your Initial Package is an electrostatic charger, a fogger and initial equipment.

**Onboarding Fee**

In addition, when you sign your franchise agreement, you pay us a \$9,100 onboarding fee, which is for Boot Camp (4 days), On-Site Blastoff with Support Team Member (4 days), Sales Training, Remote Support/Calls for marketing, operations, and software training for up to three individuals.

The Onboarding Fee is not refundable under any circumstances.

**ITEM 6 OTHER FEES**

Type of Fee <sup>(Note 1)</sup>	Amount	Due Date	Remarks
Royalty	6.9% of gross revenues, subject to reduction for higher volume and subject to weekly minimums	Weekly (each Thursday for the preceding week's Gross Revenue)	The minimum royalty ranges between \$200 to \$750 per week, starting a year after you open and varying with the size of your territory, with the larger population territories paying the higher minimum, all as shown in Note 2 below.
Ad Fund Contributions	2% of Weekly Gross Revenue	Weekly (each Thursday for the preceding week's Gross Revenue)	You pay this fee to our advertising fund. We control the advertising fund. See Item 11 of this Disclosure Document.
Local Client Advertising	A minimum of \$4,000 a month	Monthly	(Note 3)
Local Employee Advertising	\$500 per month	Monthly	You will pay the local employee advertising fee to local advertisers, not us. This money is spent to find employees for your business.
Call Center Fee	Up to \$500 per month	Same as royalty fee or as otherwise specified	Imposed if we choose to administer a call center. If a third party administers the call center, you pay fees directly to the third-party provider unless we choose to collect the fees from you and remit them to the provider.
Transfer Fee	<i>[Permitted Transfer]</i> \$0 or \$1,500	At time of Transfer	No fee for a Permitted Transfer from individual owners to a wholly owned business entity within 6 months after signing of Franchise Agreement. Fee applies to all other Permitted Transfers.
	<i>[Other Transfers]</i> 50% of then-current initial franchise fee (reduced to 20% if buyer is an existing franchisee)	At time of Transfer	You pay this transfer fee for all Transfers other than Permitted Transfers. If our broker finds the buyer, you must also reimburse us for all commissions we pay the broker.
Renewal Fee	25% of then-current initial franchise fee	Prior to or at time of renewal	Imposed if you renew your franchise rights by signing a renewal Franchise Agreement.
Audit Fee	Actual cost of audit (including Travel Expenses for audit team)	As invoiced	Imposed if an audit (a) is necessary because you fail to send us required information or reports in a timely manner or (b) reveals you understated Net Billings by 2% or more (or intentionally underreported Net Billings by any amount).

<b>Type of Fee</b> <sup>(Note 1)</sup>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Cooperative Advertising Fee	Currently not applicable. If established, Cooperative Fee will be set by us or the coop but will not exceed the Local Marketing Commitment unless higher fee is approved by 2/3 majority vote of members)	Same as royalty fee	Company-owned outlets have the same voting power as franchised outlets in a cooperative. If a majority of outlets are company-owned, we will not increase the fee without the majority vote of franchised outlets in favor of the fee increase. Cooperative advertising fees are credited against your Local Marketing Commitment.
Proprietary Items	Actual Costs	As incurred	Includes items like uniforms and certain cleaning supplies. See Item 8 of this Disclosure Document
Services We Provide to Your Customers	Our actual costs in inspecting or correcting your work	As incurred	(Note 4)
Management Fee	10% of revenue earned during the period that we manage your business.	As incurred	If you abandon the Franchise and we operate it until you return, you must reimburse us for our reasonable expenses and pay a reasonable management fee
Additional Assistance	Then current fee, currently \$400 per day, which may be increased up to 20% annually.	On receipt of invoice	We charge a daily fee plus expenses for assistance we provide at your request
Interest on Late Payments	The lesser of 2% over our bank's prime loan rate or the maximum amount permitted by law. The highest interest rate allowed by law in California for late payments is 10% per year.	On receipt of invoice	Interest begins from the date of non-payment. Owed for all overdue sums
Late Fees on Late Payments	10% of amount past due	On receipt of invoice	The late charge covers our administrative and collection costs
Indemnification	Amount of our damages, losses or expenses	As invoiced	You must indemnify us for losses and expenses we incur due to your operation of the Business or your breach of the Franchise Agreement.
Costs and Attorneys' Fees	Amount of attorneys' fees and costs we incur	As invoiced	You must reimburse us for all attorneys' fees and costs we incur relating to your breach of the Franchise Agreement or any related agreement or to enforce the terms of the Franchise Agreement if you fail to comply.
Insurance Reimbursement	Our actual costs	On receipt of invoice	You must reimburse us if we purchase insurance for you because you failed to do so.

Type of Fee <sup>(Note 1)</sup>	Amount	Due Date	Remarks
Technology Fee	Then current costs currently \$18.00 per week, which may be increased up to 20% annually.	Weekly	This fee may be used for, but is not limited to development, upgrades, support, error corrections and operational assistance and is subject to change based upon technology updates. (Note 5)
Convention	Currently, \$180 per attendee, plus travel and lodging expenses	Prior to convention	We may increase this fee in our discretion, provided it will not exceed \$2,000 per attendee (Note 6)
Convention – Failure to Attend	Currently, \$500	As invoiced	We may increase this fee in our discretion, provided it will not exceed \$2,000 per attendee (Note 6)
Testing New Suppliers or Items	Our actual costs	As invoiced	You must pay us our actual costs in evaluating your request to use a unapproved supplier or item.
Additional Households	\$1 for each additional Qualified household purchased	When purchased	If you add additional qualified households to your territory. You pay us \$1 for each household purchased.
E-Water Generator	The current cost, currently ranges from \$8,500 -to \$12,500	Once your franchised business reaches a sales level of \$9,000 a week in revenue	The larger e-water generator is purchased from a third party that we designate.

**Explanatory Notes:**

1. All fees are non-refundable and are paid to us. All fees are uniformly imposed and collected.
2. The Royalty structure rewards you for expanding the Franchised Business; the higher the Gross Revenue, the lower the Royalty percentage. Each week, you must remit to us the Royalty amount as follows, if you are in default under your agreement, your royalty remains at 6.9%, regardless of the amount of your Gross Revenues:

<b>For the Part of the Annualized Amount of Your Weekly Gross Revenue That Is:</b>	<b>Your Royalty Percentage for the Week Is:</b>
Less than \$300,000	6.9%
\$300,000 to \$699,999	6%
\$700,000 to \$899,999.99	5%
\$900,000 to \$1,499,999	4.5%
\$1.5MM to \$1,999,999	4%

<b>For the Part of the Annualized Amount of Your Weekly Gross Revenue That Is:</b>	<b>Your Royalty Percentage for the Week Is:</b>
\$2MM	3.5%

“Gross Revenue” includes the actual gross charges for all goods and services your customers purchase including exchanges in kind or barter, but excluding retail sales taxes any governmental authority imposes. We may, at our discretion, adjust the Gross Revenue brackets shown in the left column of the table to compensate for changes in the Consumer Price Index. We take a bank draft out of your operating account for your Royalty and other payments.

Franchisee Territories of more than 30,000 Qualified Households are required to generate a minimum of \$6 per each owned Qualified Household on an annual basis. In the event that a Franchisee with more than 30,000 Qualified Households do not meet the \$6 per QHH annual minimum for three consecutive years, then we have the right to take back QHH’s and place them in our open and available inventory, and we also have the right to terminate the Franchise Agreement. This is mandatory for any franchisee after its second full year in business. It is further agreed, however, that if you have given notice to us of your desire to renew the Franchise Agreement or transfer the Franchise Agreement and the franchised business, and you have not met this requirement, if we choose to permit the renewal or transfer, we will waive this provision for the renewal term or transferee, as applicable.

In addition, all franchisees are subject to the following minimum weekly Royalty:

<b>Weeks</b>	<b>Territory with up to 30,000 Qualified Households Minimum Weekly Royalty</b>	<b>Territory with in excess of 30,001 Qualified Households Minimum Weekly Royalty</b>
Weeks 1-52	No Minimum	No Minimum
Weeks 53-104	\$200	\$400
Weeks 105-208	\$275	\$550
Weeks 209 and after	\$350	\$750

3. You will spend a minimum of \$4,000 a month on local customer advertising and \$500 per month on employee advertising. You are required to spend at least the minimum but may choose to spend more, at your option. You will be required to provide us with proof of the method and amount of your expenditures.
4. You must guarantee your services to your customers. If we believe we must respond to a complaint by your customer, and we enter the customer’s home and inspect or correct your work, you must reimburse us for the costs we incur in doing so.
5. All new franchisees will be required to use Maid Central, a third party software, for the customer relationship management, operations, and reporting.
6. Attendance by you, your Responsible Owner and Designated Manager at our convention/leadership summit is mandatory. Failure to physically attend convention/the summit during workshop and meeting days will result in a \$500 non-attendance fee. “Responsible Owner” means the owner you appoint and we approve with primary responsibility for the overall management and operation of your Business.

“Designated Manager” means the person you appoint (who may, but need not, be the Responsible Owner) who will personally supervise your Business on a full-time basis. You are responsible for your own travel and lodging expenses.

## 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 <sup>(Note 1)</sup>	\$49,900	Lump Sum	On Signing Franchise Agreement	Us
Onboarding Fee <sup>(Note 2)</sup>	\$9,100	Lump Sum	Prior to Opening	Us
Computer Equipment <sup>(Note 3)</sup>	\$1,000 - \$2,000	Lump Sum	As Incurred	Third Parties
Equipment, Fixtures, Other Fixed Assets Including Leasehold Improvements, Signs, Pre-Opening Expenses <sup>(Note 4)</sup>	\$1,500 - \$3,000	As Incurred	As Incurred	Third Parties
Initial Inventory Package <sup>(Note 5)</sup>	\$4,600	Lump Sum	On Signing Franchise Agreement	Us
Security Deposits, Rent and Other Prepaid Expenses <sup>(Note 6)</sup>	\$2,500 - \$4,000	As Incurred	As Incurred	Third Parties
Automobile <sup>(Note 7)</sup>	\$3,250 - \$4,000	Monthly	Prior to Use	Third Parties
Insurance and Bond <sup>(Note 8)</sup>	\$1,000 - \$2,000	Monthly	As Incurred	Third Parties
Training Expenses <sup>(Note 9)</sup>	\$2,000	Lump Sum	Prior to Opening	Third Parties
Local Advertising – 3 Months <sup>(Note 10)</sup>	\$13,500	As Incurred	As Incurred	Third Parties

<b>Type of Expenditure</b>	<b>Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment Is To Be Made</b>
Technology Fee – 3 Months <sup>(Note 11)</sup>	\$216	Lump Sum	Weekly	Us
MaidCentral Software – 3 Months <sup>(Note 12)</sup>	\$2,050	Lump Sum	As Incurred	Third Party
Additional Funds – 3 Months <sup>(Note 13)</sup>	\$30,000 - \$40,000	As Incurred	As Incurred	Third Parties
<b>TOTAL ESTIMATED INITIAL INVESTMENT</b> <sup>(Note 14)</sup>	<b>\$120,616-\$136,366</b>	As Incurred	As incurred	To us and to third parties

Explanatory Notes:

1. When you sign a Franchise Agreement, you must pay us a nonrefundable initial franchise fee of \$49,900.
2. The \$9,100 onboarding fee includes the following: Boot Camp (4 days); On-Site Blastoff with Support Team Member (4 days); Sales Training with a Maid Brigade trainer; and Remote Support/Calls for marketing and operations. The Boot Camp and Sales Training are required to be completed prior to opening your location.
3. We will give you a list of computer equipment you will need to operate MaidCentral, and other tools provided as part of our Total Management Software package. You do not purchase the computer equipment from us. The cost of the equipment you purchase will vary depending on the amount of equipment you buy, the supplier you choose, general economic conditions, your geographic location, and your persistence in obtaining the best prices available. You must have Internet access and email. This estimate includes a connection charge to a high-speed Internet provider.
4. You must establish and maintain an office which is located within your franchise territory, and which is approved by our VP of Operations before a lease is signed. Our approval is required for the size, rent and location of your office. It is our intention to help you properly control your rent and assure that the space provides all elements required for operation of the business. The size of your office will range from 800 square feet to 1,200 square feet. Your costs will vary depending on the size, configuration, and condition of the furniture, supplies, signs, and fixtures you select and the location of your office.
5. This represents your Initial Package. Please note, included within your Initial Package is an electrostatic charger, a fogger and initial equipment. Once your franchised business reaches a sales level of \$9,000 a week in revenue, you will be required to purchase a larger e-water generator to keep up with demand. The cost for this generator ranges from \$8,500 - \$12,500 and you purchase that from a third party that we designate.
6. Your landlord will generally require you to pay the first and last months' rent as a deposit. Utility companies and rental agencies will probably require you to pay deposits and prepaid expenses, including prepaid expenses relating to furniture, fixtures, or equipment you may lease.

7. You must use clean, relatively new four-door compact automobiles for business transportation. The estimate includes the cost of the car wrap, but does not include ongoing gas and maintenance expenses, which you must normally pay on a monthly basis. This estimate assumes you will lease the vehicle(s). If you purchase the automobile(s) you use, your initial investment will be significantly greater than the table shows. We require that your vehicles display our proprietary car “wrap,” that we specify from time to time. Our approved vendors may include the cost of the wrap in the lease or purchase price of the vehicle.
8. The figures shown in the tables cover premiums for the insurance you must maintain and the costs you are likely to incur in obtaining a blanket fidelity bond in the amount of \$10,000 for each employee.
9. The cost of our initial training program for up to three (3) individuals is included in your Onboarding Fee, but you will be responsible for travel, lodging, employee compensation and any other expenses incurred in connection with attendance.
10. You will spend a minimum of \$4,000 per month on local customer advertising and \$500 per month on employee advertising. You are required to spend at least the minimum but may choose to spend more, at your option. You will be required to provide us with proof of the method and amount of your expenditures. You will pay us \$39,600 upon signing your franchise agreement, which will be applied against your local obligation and used in the following manner: An average of \$3,000 a month will be spent on digital marketing for approximately twelve consecutive months. Depending on your market, the monthly spend may fluctuate, any amount not spent in a month will roll over to the next; conversely, if more funds are needed to maximize your lead flow, we may spend more than \$3,000 a month. We will discuss the options with you if your market’s optimal spend is consistently higher than \$3,000 a month. There is a \$3,600 management fee included in the amount collected – this equates to a pre-paid amount of 10% per month for the first twelve months. You will use Maid Brigade Digital Services for the first year in business. There are no refunds for the initial marketing funds collected. During the first year of operations, you will be responsible for spending the balance of \$1,000 per month on local advertising, plus the \$500 employee advertising obligation. The Digital Services fee is discounted to 10% in the first year, the standard charge of 20% will apply month 13 onwards.
11. The amount of the Technology Fee is currently \$18 per week and covers the costs associated with our website and franchise forum. We and/or our affiliates may develop proprietary software, technology or other components of our designated technology systems that will become part of the System.
12. MaidCentral’s current pricing is a minimum of \$450 per month with a one-time \$700 implementation fee. The pricing is dynamic and is based on the actual number of visits completed. Pricing can be found at the MaidCentral website.
13. Working capital covers the initial expenses you are likely to incur while you establish the Franchise, and those you are likely to incur between the time you begin providing services and the time you begin receiving payments from customers. These expenses include costs related to performing background checks, hiring employees, initial employee wages, and purchasing other goods and services. These expenses do not include any draw or salary for the owners of the Franchise, but they do include additional office support services you may need. The estimates in the table reflect an initial startup period of three months.

14. In compiling this chart, we relied on our experience in the operation of home cleaning services and information our franchisees gave us.

## ITEM 8

### RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

#### **Standards and Specifications**

We have established standards and specifications for most of the services and goods used in and offered through a Maid Brigade Business. The System is subject to modification, change and improvement going forward. You must conform to our System standards, including high standards of service, quality, safety, and cleanliness. Our standards and specifications may be communicated to you through our confidential Operations Manual and various other confidential manuals and/or written materials relating to operation of a Maid Brigade Business, all of which may be changed by us at any time in the future. The Manual includes mandatory specifications relating to required services, client service techniques, staffing requirements and administration issues and procedures.

You must, at your expense, develop, improve and operate your Business under the System and in accordance with our required standards and specifications, as set forth in our Manual and other publications or written materials we issue from time to time. You must, at your expense, purchase or lease, install and use, among other things, all fixtures, signage, furnishings, improvements, supplies, other products and equipment (including computer equipment, inventory, uniforms, signage, point of sale, and computer hardware and software systems), décor items, related items and services we require, all of which must conform to the Manual and our required standards and specifications.

We have the right to, and expect to, supplement or modify the Manual and our mandatory standards, specifications and other publications we issue in our sole discretion, at any time. We will provide written notice to you of any changes.

#### **Approved and Designated Suppliers**

We have the absolute right to limit the suppliers with whom you may deal. We may require you to purchase certain items, products, services, signs, furnishings, supplies, fixtures and equipment from us, or distributors we have approved (collectively, "suppliers"). You must purchase all goods, items, products and services required for the development and operation of your Business from our approved or designated suppliers. We have the right to designate one supplier for any given item or service. We will provide you with a list of suppliers, which list may change over time. While the suppliers included on this list are currently mandated, approved and/or recommended, we reserve the right to change this list from time to time. Notifications of changes to the approved suppliers list will be communicated to you through changes to the Manual or other written communications, including via electronic mail. Approval of suppliers may be revoked upon written notice.

We or our affiliate may become an approved supplier, and/or the only supplier, for any item, product, good and/or service in the future.

Currently, we are the only approved suppliers of the opening inventory package, which we call your "Initial Package." The cost for the Initial Package is \$4,600 and is due when you sign the Franchise Agreement.

Additionally, we are the only approved source for gaining access to our electronic mail portal and online interface system, which are covered by our Technology Fee. Also, you must use MaidCentral software which is a third-party product.

Except for certain officers' ownership interest in us, none of our officers own an interest in approved suppliers.

We estimate that currently, the cost of the equipment, software, forms, supplies, services, and goods for resale that must be purchased from designated or approved suppliers or in accordance with our specifications will represent between 35% and 45% of your total purchases in connection with the establishment of your Business and will represent between 6% and 10% of your ongoing expenses.

We do not have any affiliates who offer or sell any products, items or services to System franchisees. Our affiliates may sell products, items and/or services to System franchisees in the future, at any time, and they may derive revenue and other material benefits on account of your and/or System franchisee purchases.

We may establish national or regional purchasing programs for the purpose of negotiating purchases of certain products and/or services from approved or designated suppliers. The purchasing programs may (but are not required to) benefit you by reducing prices, increasing reliability in supply, improving distribution, establishing consistent pricing for reasonable periods to avoid market fluctuations. If a national and/or regional purchasing program is established for the region where your Business is located, you must participate in the program.

We do not provide any material special benefits to franchisees for particular products or services or using designated suppliers.

### **Derived Revenue**

We and/or our affiliates may derive income, consideration, payments and other benefits on account of your purchase or lease of any products, services, supplies and/or other items from us or any supplier, including approved and/or designated suppliers. This income may be derived in any form, including as a rebate from various suppliers based on the quantity of System franchisee purchases. We may use these benefits for any purpose we deem appropriate. We are not obligated to remit any benefits to you and we reserve the right to retain all such benefits.

As of the issuance date of this Disclosure Document, we do not receive any rebates from approved suppliers; however, we reserve the right to derive rebates and/or other benefits from certain purchases you make from approved suppliers in the future. These amounts are subject to change.

We or our Affiliates may charge a mark-up on products and/or services sold to you by us and/or our affiliates.

Our total revenue during the fiscal year ended December 31, 2024, was \$3,770,735. During that year, we generated \$128,709 in revenue as a result of franchisee purchases or leases, which represents 3.4% of our total revenue for that year.

Except as disclosed in this Item, as of the issuance date of this Disclosure Document, we have not currently established any purchasing arrangements with designated suppliers and do not currently receive any payments on the basis of required franchisee purchases.

### **Purchases from other Suppliers**

If you want to purchase any products, services, goods, equipment or supplies from a supplier or distributor who is not on our approved list, you may request our approval of the supplier or distributor (except in instances where we have designated a sole supplier of any product, item, good, equipment, service or supplies), which we may grant or deny in our sole and absolute discretion. The proposed supplier's or distributor's product or service, as applicable, must conform in every respect to our standards and specifications and the supplier or distributor must have a good business reputation and be able and willing to provide sufficient quantities of the product and adequate service to our franchisees. The supplier or distributor must also provide us with any information we request in order to analyze the supplier's or distributor's suitability, and the composition and conformity of the product to our standards. This evaluation may include a sampling of the product at either the supplier's/distributor's or our place of business, as we may designate. Where appropriate, we require the supplier or distributor to provide us with product liability insurance. All suppliers and distributors must agree to provide us with reports concerning all purchases by you or other franchisees. You or the supplier will be responsible for all costs and expenses we incur in the testing and approval process. There are no fees currently associated with seeking approval for alternative suppliers. We cannot predict with any certainty how long its evaluation will take; however, we attempt to complete our evaluation within 30 days. Upon the completion of our evaluation, we inform you of our approval or disapproval of your request. If we approve the supplier or distributor, the supplier or distributor is added to our approved list, however, our approval of a supplier or distributor relates only to the item or product line evaluated and specifically approved by us.

Our standards, specifications and other criteria for supplier or distributor approval have been developed by us, our affiliates, and/or our principals through the expenditure of extensive work and time and are considered confidential information. Therefore, we do not make our standards and specifications or our other criteria for supplier or distributor approval available to our franchisees or suppliers.

We may modify our specifications and standards for any item or revoke our approval of any supplier or distributor who fails to adhere to our quality standards or other requirements. We may limit the number of potential suppliers that we consider for approval and for some categories of products, we may designate a third party or ourselves as an exclusive supplier.

### **Computer System**

You must purchase the computer and office management system we require. You must make reasonable upgrades or updates to your computer system at our request at your expense. You must have Internet access at all times through a connection that meets our standards.

We reserve the right to formulate and modify our standards and specifications for operating a Business. This includes requiring that you take all steps, including but not limited to those related to visibility and management of your Business that are necessary to ensure that your business is compliant with all data privacy and security laws and Payment Card Industry Data Security Standards (PCI DSS) requirements, as such standards may be revised and modified by the PCI Security Standards Council (see [pcisecuritystandards.org](http://pcisecuritystandards.org)), or such successor organization or standards that we may reasonably specify. Our standards and specifications are described in the Franchise Agreement, the Operations Manual, and other written documents. We have the right, under the Franchise Agreement, to change the standards and specifications applicable to operation of the franchise, including standards and specifications for Approved Services and Products, equipment, signs, furnishings, supplies, fixtures, inventory, computer systems (hardware, software, applications, data network and internet connection minimum bandwidth capacities), privacy policies, encryption requirements, data and IT security policies - including implementation of phishing and other security awareness programs and training, cyber incident notification requirements, and Artificial Intelligence policies by written notice to you or through

changes in the Operations Manual. We may issue our standards or specifications for goods and services, and changes to those standards and specifications, in writing directly to you or our approved supplier. You may incur an increased cost to comply with these changes at your own expense.

**Advertising**

All advertisements must be approved by us in writing before use.

**Insurance**

You must maintain certain insurance coverage. The insurance coverage we specify is the minimum any prudent business person would maintain, and includes “all risk” property and casualty insurance, commercial general liability insurance, care custody and control, automobile liability insurance for all owned, hired, and non-owned vehicles you or your employees operate in connection with the Franchised Business, and workers’ compensation insurance as required by law with at least \$500,000 in coverage. Your cost for the insurance we require will depend on where the territory is situated, the insurance carriers’ charges, your insurance history, and the level of your deductibles. Your insurance policies must provide that your insurers will give us 30 days’ prior written notice of termination, expiration, or cancellation of any insurance. We may, at any time and in our sole discretion, increase the minimum insurance limit or require different kinds of insurance you must carry if necessary to reflect normal business practices, court awards, and other relevant circumstances. You must maintain a blanket fidelity bond in the amount of \$10,000 that covers all of the employees you hire, plus a crime policy with at least \$25,000 in coverage. You must carry commercial general liability coverage with at least \$1,000,000 in coverage per occurrence and \$1,000,000 in the aggregate, plus at least \$150,000 in coverage for damage to a customer’s property caused by your work. You must have at least \$1,000,000 in auto liability coverage, including both owned, hired and non-owed vehicles. We highly recommend Cyber Liability Insurance, as well as Employment Practices Liability Insurance. We have entered into an arrangement with an insurance company that has developed a customized insurance and bonding package that meets our specifications. You may purchase insurance and your fidelity bond through the agency, but we do not require you to do so, nor do we derive any monetary benefit if you do.

**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.

<b>Obligation</b>	<b>Section in Agreement</b>	<b>Disclosure Document Item</b>
a. Site selection and acquisition/lease	Section 3	Item 11
b. Pre-opening purchases/leases	Section 4.6, 5.2	Items 5 and 8
c. Site development and other pre-opening requirements	Sections 4.2 and 4.7	Item 11

<b>Obligation</b>	<b>Section in Agreement</b>	<b>Disclosure Document Item</b>
d. Initial and ongoing training	Sections 4	Items 6, 7, and 11
e. Opening	Section 3	None
f. Fees	Sections 1.7, 8, 9, and 18.9	Items 5, 6, and 11
g. Compliance with standards and policies/ Confidential Operations Manuals	Sections 4, 5, 7, 10, and 13	Items 8, 11, and 16
h. Trademarks and proprietary information	Sections 4.4, 7, and 13	Items 13 and 14
i. Restrictions on products/services offered	Section 5	Item 16
j. Warranty and customer service requirements	Sections 5	Item 11
k. Territorial development and sales quotas	Section 1	Item 12
l. Ongoing product/service purchases	Sections 5	Items 6 and 8
m. Maintenance, appearance and remodeling requirements	Not applicable	Not applicable
n. Insurance	Section 6.1	Items 6 and 7
o. Advertising	Section 10	Items 6, 7, and 11
p. Indemnification	Section 17.2	Item 6
q. Owner's participation/management/staffing	Sections 4.3 and 5	Item 15
r. Records and reports	Section 11	Item 6
s. Inspections and audits	Section 12	Item 6
t. Transfer	Section 16	Items 6 and 17
u. Renewal	Section 2.2	Item 17

Obligation	Section in Agreement	Disclosure Document Item
v. Post-termination obligations	Section 15	Item 17
w. Non-competition covenants	Sections 5.6 and 15.5	Item 15
x. Dispute resolution	Sections 18	Item 17

**ITEM 10  
FINANCING**

We do not offer direct or indirect financing. We do not guaranty your note, lease or obligation.

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

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

**Pre-Opening Obligations**

Before you open the Franchised Business, we will:

- (1) Designate the Operating Territory. (Franchise Agreement, Section 1.1).
- (2) Approve or disapprove the site you have selected for your office (Franchise Agreement, Section 3).
- (3) Provide you with the names of approved and/or designated suppliers and a list of all equipment, fixtures, and inventory you are required to purchase. (Franchise Agreement, Section 4.3)
- (4) Provide you with the initial training program as described below (Franchise Agreement, Section 4.1).
- (5) Provide you for a fee the Initial Package. (Franchise Agreement, Section 4.6)
- (6) Provide you access to our library of manuals that are on our private site. The library of manuals includes the Confidential Operations Manual and other confidential and proprietary materials containing specifications, operating, safety, and marketing procedures we prescribe. We update these materials to meet the needs of the Maid Brigade System. We publish all manuals, or updates to them, on our private website. On termination of the Franchise Agreement for any reason, you must immediately return all hard copies of the manuals and all other proprietary materials to us. (Franchise Agreement, Section 4.4). You must keep the manuals up-to-date with replacement pages and inserts, and you must protect the confidentiality of the manuals. The table of contents of our Confidential Operations Manual as of the end of our last fiscal year is attached to this Disclosure Document as Exhibit G. Our Confidential Operations Manual contains a total of 234 pages.

## **Obligations After Opening**

During the operation of your Franchised Business, we will:

(1) Provide you with a toll-free number for telephone support and email support by our experienced staff and trainers in all aspects of the Franchised Business, including planning, hiring and training, marketing and promotion, insurance, telephone service, bookkeeping, and computer hardware and software. (Franchise Agreement, Section 4.3).

(2) Provide you with Blastoff Training. Our experienced trainers conduct the Blastoff Training at your office in order to provide you with help organizing and setting up your office, opening assistance, individualized training, help in training your first team of maids, reinforcing the specialized training programs you can use to train your employees, and establishing a marketing and sales program. (Franchise Agreement, Section 4.4). We describe our Blastoff Training more fully below in this Item 11.

(3) Provide you with assistance in fulfilling your Local Advertising Requirement during a defined period you and we mutually agree on. We will help you to more effectively spend your initial working capital for advertising and promotional activities. (Franchise Agreement, Section 4.4).

(4) If you request, we will provide advice to you (by telephone or electronic communication) regarding improving and developing your Franchised Business, and resolving operating problems you encounter, to the extent we deem reasonable. If we provide onsite support in response to your request, we may charge a fee (currently, \$400 per day) and require you to reimburse our Travel Expenses we incur. (Franchise Agreement, Section 4.3).

(5) Permit you to participate in all group-purchasing programs for products, materials, equipment, insurance, and supplies that we may periodically develop for our franchisees and for any Maid Brigade businesses we operate. (Franchise Agreement, Section 4.6).

(6) If you request, consider any items you propose to use (like supplies, forms, or manuals) in the Franchised Business that we have not previously approved, to determine whether they meet our specifications. (Franchise Agreement, Section 5.2).

(7) Offer you guidance concerning the prices you should charge for products and services. Although we will provide you with guidance, you do not have to take such advice; you have the sole right to decide how much you will charge for your services. (Franchise Agreement, Section 5.6). Maid Brigade provides a pricing model to help you set your prices to achieve your profit objectives.

(8) Hold conferences (if we deem necessary) to discuss sales techniques, personnel training, bookkeeping, accounting, inventory control, performance standards, and advertising programs to improve and develop the Maid Brigade Business. In the event that such conferences are held, you (or your Responsible Owner) and Designated Manager must attend and pay the designated attendance fee in addition to all your

travel, wages and living expenses related to your attendance at the conference. We reserve the right to charge a fee of up to \$2,000 for the conference. These conferences will be held at a location chosen by us. (Franchise Agreement Sections

(9) Develop and implement advertising and promotional programs paid for by the Advertising Fund (the "Fund") to which all franchises, and Maid Brigade businesses, must contribute 2% of their Gross Revenue. We will spend all sums we receive, less payment of administrative costs, on advertising and promotional efforts. On request, we will provide you with an audited annual statement of the receipts and disbursements of these sums. (Franchise Agreement, Section 10.1).

#### Advertising Fund

We will spend amounts that the Fund receives on national, local, or regional marketing programs that directly or indirectly cover the Designated Market Area where our franchisees are located, and on developing alliances that will maximize general public recognition of the Maid Brigade System. However, we are under no obligation to make expenditures in a given franchisee's Operating Territory that are equivalent to the franchisee's contribution to the Fund or to ensure that any particular franchisee benefits directly or *pro rata* from the Fund's expenditures. We may also spend amounts that the Fund receives to perform test marketing, conduct surveys, to compensate marketing/advertising staff or engage in other activities we believe will benefit the Maid Brigade System. We will use, in our sole discretion, all contributions to the Fund, and any earnings on sums deposited in it, exclusively to meet the cost of maintaining, administering, researching, directing, and preparing advertising or promotional activities. We will maintain the Fund in an account separate from our other monies, and will not use it to defray any of our expenses except for reasonable administrative and marketing wages and costs and overhead we may incur in activities related to administering the Fund and advertising programs for our franchisees. The Fund is not and will not be our asset. During the fiscal year ended December 31, 2024, the Fund spent its income on marketing programs (53%), internet (12%), creative (30%), and miscellaneous (5%). The Fund will not be used to pay for advertisements principally directed at selling additional franchises, although consumer advertising may include notations such as "franchises available" and one or more pages on our website may promote the franchise opportunity. If all advertising fees are not spent in the year in which they are collected, the amounts are rolled into the next year. You may obtain a copy of the most recent annual accounting of the Advertising Fund at any time by written request.

The Fund is not a trust. We have no fiduciary obligations or liability to you with respect to our administration of the Fund. We may suspend or terminate the Brand Fund at any time, and any surplus funds may only be used for marketing and advertising purposes until fully expended.

#### Local Advertising

You must spend a minimum of \$4,000 a month on local customer advertising and \$500 per month on employee advertising. You are required to spend at least the minimum but may choose to spend more, at your option. You will be required to provide us with proof of the method and amount of your expenditures.

You must provide us with monthly reports documenting your advertising expenditures, to include P&L and other documentation as requested, that we may verify you are fulfilling your local advertising requirement. If you spend more on local advertising, you may not use the excess as an offset against advertising fees you pay to the Fund. See Items 6, 8, and 9 of this Disclosure Document.

### Franchisee Advisory Council

The Franchisee Advisory Council (FAC) is a group combining peer-elected franchisees and Home Office selected franchisees who meet throughout each year to share system feedback, updates, needs, and opportunities. The mission is to provide a forum for meaningful two-way communication and collaboration. The scope of FAC discussion includes all areas related to operating a Maid Brigade franchise. There are up to 4 Franchisee Elected Members, and 3 Home Office Selected Members. The role is advisory in nature. The FAC is led by the President of Maid Brigade.

### Advertising Cooperatives

We may, but need not, establish local or regional advertising cooperatives for purposes of pooling advertising funds to be used in discrete regions. We will determine the boundaries of the cooperative. In most instances, the boundaries will coincide with zip codes, designated marketing areas or municipal boundaries. We will specify the manner in which the cooperative is organized and governed. We may choose between: (a) administering the cooperative ourselves; or (b) establishing an advertising council, comprised by the cooperative's members, to administer the cooperative. We may require that the cooperative be administered in accordance with written bylaws, organizational documents or other governing documents that we approve.

If your Operating Territory is located within a region subject to an advertising cooperative you must: (a) participate in the cooperative according to its rules and procedures and abide by its decisions; and (b) pay a cooperative advertising fee. We may set the minimum cooperative advertising fee or we may allow the cooperative to set the fee based on majority vote of its members. If established, the Cooperative Fee will be set by us or the coop but will not exceed the Local Marketing Commitment unless higher fee is approved by 2/3 majority vote of members vote in favor of a higher fee. All cooperative advertising fees you pay are credited against your Local Advertising Commitment. Under currently policy, any company-owned business located in a cooperative would pay cooperative advertising fees on the same basis as other members. However, we reserve the right to change this policy in the future.

Advertising cooperatives are not required to prepare annual or periodic financial statements, although we may change this policy. Any financial statements that are prepared will be made available to you upon request. We reserve the right to form, change, merge or terminate advertising cooperatives at any time. There were no advertising cooperatives in effect as of December 31, 2024 and no fee is currently being charged.

### Computer Systems

Our recommendations are based upon the configuration of hardware and software that will best serve your business needs, taking into account current and future software applications. Because our current software is lightweight and cloud based, you may use a laptop or desktop computer with a suitable Internet connection.

The current suggested minimum computer specifications are: current version of Windows Professional operating system, a current generation i5 Intel processor, 8 GB RAM, Gigabit Network Card (NIC), Network switch that is Gigabit compatible, 500 Mb, 7200 RPM hard disk drive or 256 Mb SSD drive, current version of Microsoft Office (Word, Excel, PowerPoint, Outlook), antivirus software (including email protection), firewall - software and hardware (if applicable), and local and remote backup methods, e.g. local backup and remote internet based backup facility. You will also need a 20" widescreen HD color monitor, uninterruptible power supply (UPS), color printer, and a 25 Mbps broadband internet connection. While we anticipate that you should be able to use your existing computer equipment, if you choose to purchase new equipment that cost may be in the range of \$400 to \$1,000, depending on what you purchase, and annual updates and maintenance may run \$100 each year.

Although you have no contractual obligation to upgrade your hardware or software, it is to your advantage to keep your system up to date so that it functions and supports your operation in an optimal manner.

You are required to use Maid Brigade proprietary products, currently our Total Management Software Solution. You must use our approved software, which is Maid Central, which is designed to manage most of the business functions of the Franchise, including customer servicing, lead tracking, scheduling, payroll, productivity reports, and home office data consolidation. By using MaidCentral, you will be able to:

- Manage your operations by:
  - Scheduling your jobs by day, by team, and by customer
  - Calculating the efficiency and productivity of each team and team member, and reporting on those homes cleaned where the actual hourly rates were below the desired level
  - Preparing detailed individual payroll reports and summaries
  - Maintaining a complete database record on each customer, including the customer's name and address, directions to the customer's location, the price you charge, and the frequency of your visits
- Manage your finances by:
  - Generating weekly performance analysis reports, measuring productivity, and reporting your productivity to us so we can generate regional and national productivity reports
  - Calculating your employees' gross pay and personal vehicle mileage reimbursements
- Manage your marketing by:
  - Collecting critical data on sales leads, bookings, conversions, and cancellations, broken down by advertising source

- Collecting and compiling prospective customers' names, addresses, telephone numbers, and other information for use in sales and marketing
- Producing mailing lists and mailing labels for follow-up mailings
- Tracking the effectiveness of each sales representative you employ.
- Recording your weekly advertising expenditures

Except for Windows Operating System, LogMeIn (or other remote access application), FTP program like FileZilla, Microsoft Office, Adobe Acrobat Reader, WinZip, Microsoft MapPoint, Microsoft Internet Explorer, and QuickBooks Online, we are not aware of any hardware component or software program you will use that is the proprietary property of a third party. Windows Operating System, TeamViewer, Microsoft Office, Adobe Acrobat Reader, WinZip, Microsoft Map Point, Microsoft Internet Explorer and QuickBooks Online are commonly available on the consumer market. You will allow us to log on to your computer system remotely. We will have independent access to the information generated and stores on your systems and there are no contractual limitations on how we may use any information we obtain.

Use of newly released proprietary or other designated software is required, as is the necessary maintenance steps for these products such as updating and synchronizing. You are prohibited from translating, reverse engineering, reverse compiling, disassembling, or creating derivative works of any proprietary software provided by Maid Brigade and you agree to protect its confidentiality and to prevent unauthorized use of it. We have no obligation to assist you in finding computer equipment or components.

### Site Selection

You must locate, obtain and occupy the site for the office for your Franchised Business, on your own initiative and at your own expense. We do not select the site for your office and we do not purchase the premises and lease it to you. The office must be located within your Territory. You must advise us in writing of the proposed site for your office. Our prior approval is required in writing. You are responsible for compiling the information necessary for us to evaluate your site. Approval of any proposed site is based on the information you submit in a form that allows us to assess the location. We must approve or disapprove your site within 30 days after we receive notice of the location from you. We may not withhold our approval unreasonably. (Franchise Agreement, Section 3).

The office site must meet minimum demographic/geographic requirements as described in the Manual, which vary by region. Our consideration of a potential site will focus on demographics, configuration and characteristics of the site, site specifications (such as size, visibility, parking), and potential lease terms (including the condition of the premises), among other factors. If you do not select an office site which meets our minimum demographic/geographic requirements as described in the Manual for our review within 9 months of signing the Franchise Agreement, or if we fail to agree on a site before the expiration of this 9-month period, we may terminate the Franchise Agreement. Franchised Businesses are typically operated from an executive suite, or other office location of approximately 800 to 1,200 square feet.

### Time to Open the Franchise

The typical time between signing the Franchise Agreement or the first payment of any consideration to us and the start of your training is 6 to 8 weeks. You must establish the Franchised Business and have it open and in operation no later than 180-days after the Effective Date of the Franchise Agreement. Time is of the essence. Before You open for business, we will inspect Your office. You may not open the Franchised Business to the public until: (i) You have completed our initial training program to our satisfaction, (ii) You have built out (if applicable) and equipped your Franchised Business in compliance the Franchise Agreement and the Manual, (iii) You have the proper personnel in place to operate the Franchised Business, (iv) You have received all permits, licenses, and authorizations necessary for You to being operating your Franchised Business, and (v) we provide written consent to the opening of your Franchised Business. Opening without our written consent is a material breach of the Franchise Agreement and constitutes infringement of our intellectual property rights, justifying injunctive relief and termination of the Franchise Agreement. By providing our consent to the opening of Your Franchised Business, we do not guarantee that the Franchised Business will be successful. Your success will depend on a number of factors, including general economic conditions and Your skill and hard work, which are not within our control.

Initial Training Program

We will provide you with our initial training program. (Franchise Agreement, Sections 4.1 and 4.2). You must successfully complete the initial training program to our satisfaction before you begin operating the Franchised Business. Our instructors and support staff will welcome you to Maid Brigade, discuss your questions, and help you through the material. The primary instructional material for all of our training programs is our Operations Manual. We do not provide you with assistance in establishing prices at which you must sell your products and services. Our initial training program currently includes the following topics:

**PRE-BLASTOFF TRAINING PROGRAM**

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On the Job Training</b>	<b>Location</b>
Countdown	6 hours	0	Your home
Confidential Operations	4 hours	0	Your home
Financial Planning Tools	3 hours	0	Your home
Totals	13 Hours	0	Your home

**INITIAL TRAINING**

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On the Job Training</b>	<b>Location</b>
Greeting (phone and in-home)	.25	0	Virtual
Technology	16	0	Virtual

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On the Job Training</b>	<b>Location</b>
Pricing & Financial Planning	2	0	Virtual
Marketing and Product	6	0	Virtual
Sales	10	0	Virtual
Local Client Care	2	8	Office of one of our franchisees
Cleaning System	4	12	Office of one of our franchisees
<b>Total</b>	<b>44.25</b>	<b>20</b>	

**BLASTOFF TRAINING** *(See Note 1)*

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On the Job Training</b>
Sales: Commercial, newsletters, use of electronic distribution companies, and sales presentation.	2	0
Local Client Care – Hands-on in a coaching format. This will include in-home confirmation visits, follow-up phone calls, customer service and community networking.	2	3
Employees: Guidance for you to handle tough issues, field training, evaluations, termination, team transition, and training the trainer tips & tricks.	2	18
Administration: bookkeeping, payroll, scheduling, time management, supply management, filing, safety, and insurance claims management.	3	0

Subject	Hours of Classroom Training	Hours of On the Job Training
Time Management: Day-to-day routine, answering telephone, MaidCentral, entering data; producing daily, weekly, and monthly reports; accounts receivable/accounts payable, payroll, ordering supplies, setting up the office.	10	0
Total	19	21

We conduct Initial Training throughout the year, either virtually or at the office of an existing franchisee. This training will give you experience in all aspects of operating your Franchised Business including among other things, our product and services, customer relations, employee relations, Heart at Work (the Maid Brigade culture for fostering great relationships), and sales techniques, as well as instruction on administration, marketing, time management, structuring the services you offer and analyzing the Franchised Business. You may send 2 or 3 people responsible for managing the Franchised Business to the Training, depending on the number of Qualified Households you purchase, at no charge. You will be responsible for all travel, food, lodging, salary, and benefit costs of your personnel attending the Training. If space is available, you may send additional attendees at no additional charge. (Section 4.1 of the Franchise Agreement).

The Pre-Blastoff Training occurs after executing the franchise agreement, followed by initial training and Blast-Off Training. We conduct the Blastoff Training at your office at mutually convenient times. Aside from the Onboarding Fee, we do not charge any additional fee for the initial training of up to 3 individuals.

Your Onboarding Fee also covers the tuition for Boot Camp and Sales Training for up to 3 individuals, which must be completed prior to opening, and any Remote Support/Calls we deem necessary. The Boot Camp is comprised of an on-site visit at an experienced operation for 3-4 business days in order to fully immerse you in the daily operations of the business.

## **ITEM 12 TERRITORY**

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

## **Office Location**

You will operate your Franchised Business from an office that we approve. Your office must be located in your Operating Territory. The approved site for your office will be listed in your Franchise Agreement. You may not operate your Franchised Business from a home office.

You may not relocate your office except with our approval, which we may withhold in our sole discretion. As a condition to relocation, we may require that you: (a) identify and obtain our approval of the site for your new office (which must be located in your Operating Territory); (b) develop and equip your new office to conform to our then-current System standards and specifications; (c) sign a general release (subject to state law); and (d) close your office for no more than 3 days while you move equipment and fixtures (you must continue to operate your Business at all times). Factors we may consider when evaluating a relocation request may include, among other things, proximity to other locations or demographics of the proposed location.

## **Territory Description**

We will grant you a protected Operating Territory that includes a minimum of approximately 30,000 Qualified Households. Although income levels can vary somewhat from market to market, in general a Qualified Household is defined as a household with an annual income in excess of \$100,000. Because your Operating Territory will be based on population demographics, it may be determined by municipal boundaries, natural boundaries, or zip codes, postal codes, or other factors we determine. The Operating Territory may be delineated on a map or other description we designate, which will be attached to your Franchise Agreement. We have no obligation to modify your Territory based on population changes during the term of the Franchise Agreement. Upon renewal, we reserve the right to modify the boundaries of your Territory in accordance with our then-current territory guidelines and criteria.

## **Territorial Protections and Limitations**

So long as you are in full compliance with the Franchise Agreement, we will not operate, or grant a third party the right to operate, an Maid Brigade Business under the Marks from a physical location inside your Operating Territory except as otherwise provided below. We and our affiliates retain all rights that are not expressly granted to You under the Franchise Agreement. Specifically, we and our affiliates reserve the right to:

(a) establish, own, or operate, and grant others the right to establish, own or operate Maid Brigade business or other businesses offering the same or similar services as those offered through the Franchised Business under the Marks anywhere outside the Approved Territory;

(b) establish, own or operate, and grant others the right to establish, own or operate, businesses that offer services in your Operating Territory that are the same as or similar to those offered by your Franchised Business, as long as these businesses do not operate under the Marks;

(c) provide, and license third parties to provide, services to National Accounts (defined and discussed in more detail below) located in your Operating Territory, including services that are (a) the same as or similar to those offered by your Franchised Business and (b) provided under the Marks;

(d) merge with, acquire or be acquired by any business that operates and/or licenses others to operate competitive businesses offering goods and services the same as or similar to those offered by your

Franchised Business, and convert them to businesses operating under the Marks or any other name, even if located in your Territory;

(e) advertise, market and promote the Marks, System and the services offered under the System and Marks on the Internet and inside and outside the Operating Territory; and

(f) offer, sell, operate, distribute and/or license others to sell, operate and distribute, through franchised or non-franchised businesses, at wholesale or retail, or through alternative channels of distribution (including the Internet), branded goods under the Marks or any other trademarks inside and outside the Operating Territory.

### **National Accounts**

We reserve the right to solicit, offer and provide services to National Accounts, including within your Operating Territory. We may provide these services directly or indirectly through affiliates, licensees or other franchisees. The term “National Accounts” means national, regional or institutional accounts or businesses that we designate, that own, manage, control, service or otherwise operate from locations that have clients or approved locations in more than one Franchised Business’s approved territory or geographic location.

You may not contract with, or provide services to, National Accounts unless you obtain our prior written consent. We and/or our designees have the exclusive right, but not the obligation, to negotiate and enter into agreements with National Accounts, including National Accounts with locations in your Operating Territory. If a National Account contacts you directly, you must refer the National Account to us. If a National Account requests services inside your Operating Territory, we will offer you the right to provide the services on the same terms and conditions as are in the contract we negotiate with the National Account.

We are not required to offer you the right to provide services to a National Account if any of the following are true: (a) you are in default of the Franchise Agreement or any other agreement between you and us; (b) in our business judgment, we do not believe that you are able to provide the requested services to the National Account; (c) you fail to accept the National Account business within the timeframe outlined in the National Account offer or agreement; or (d) the National Account objects to you providing the service. If we are not required to offer you the right to service the National Account, or if we offer you the right but you decline the offer or fail to accept the offer in the time and manner required by the Franchise Agreement, then we may: (a) provide the services required by the National Account inside your Territory; or (b) contract with a third party, which may be our affiliate, another Maid Brigade franchisee or an unrelated third party, to provide the services required by the National Account inside your Operating Territory. We are not required to pay you any consideration or compensation if we, our affiliate or a third party provide services to a National Account inside your Operating Territory. If you provide the services in accordance with the contract between us and the National Account, we will pay you as detailed in the Manual.

### **Alternative Channels of Distribution**

We reserve the right to sell and distribute, and license third parties to sell and distribute, products and services bearing the Marks (or different trademarks) within your Operating Territory through alternative channels of distribution, including over the Internet or through telemarketing, direct marketing or catalogs. You are not entitled to any compensation for sales made by us or third parties within your Operating Territory through alternative channels of distribution.

## **Minimum Performance Requirements**

In addition to the minimum royalty described in Item 6 above, your rights to the Operating Territory depend on you achieving a certain sales volume in your Operating Territory. Franchisee Territories of more than 30,000 Qualified Households are required to generate a minimum of \$6 per owned Qualified Household on an annual basis. If you fail to meet this requirement, we have the right to: (a) reduce the size of your Territory and/or eliminate your territorial protections; or (b) terminate your Franchise Agreement.

## **Restrictions on Marketing and Operations Outside of Territory**

You will operate your Franchised Business from your approved office location. You may not actively market or otherwise solicit business outside of the Operating Territory. The only exception to this rule is that if you advertise using broader based marketing vehicles, such as Co-Op Mailers , i.e. Val Pak, and internet based marketing, i.e. Pay Per Click, and these marketing vehicles overlap into areas outside of the Operating Territory, which have pre-determined mailing areas that include both areas within and outside of the Operating Territory. If you violate these rules and service customers, paying or non-paying, in another franchisee's operating territory, you will be in default of this Franchise Agreement. In order to cure that breach, you will be required to pay to Maid Brigade the total value of all cleaning performed, as determined by Maid Brigade, along with an additional payment of up to 20% of that amount, as a cure. In addition, you will have to immediately cease servicing the account(s) in question.

Except as otherwise provided below, you may not: (a) operate your Franchised Business, or offer or provide any products or services, outside your Operating Territory; or (b) solicit clients or potential referral sources outside your Operating Territory.

We may designate any referral source in your Operating Territory, or in another franchisee's operating territory, to be "non-exclusive" if the referral source regularly provides services to clients in your Operating Territory or in another franchisee's operating territory. You may solicit business from non-exclusive referral sources located outside your Operating Territory, provided that you meet all of our requirements for such solicitation.

You may not offer, sell, operate, distribute and/or license others to sell, operate and distribute, at wholesale or retail, or through alternative channels of distribution (including the Internet), products or services under the Marks or any other trademarks inside or outside your Operating Territory.

If an area that is contiguous to your Operating Territory has not been granted to another Maid Brigade business, we may authorize you to solicit business from referral sources there and we may authorize you to provide services to clients there, subject to any conditions that we may impose in our sole discretion. Those conditions may include: (a) a restriction on solicitations circulating in other franchisees' approved territories; (b) your achievement of certain performance thresholds in your Operating Territory; (c) a limitation providing that our consent will immediately terminate if the area in which you are soliciting or servicing clients is granted to another Maid Brigade business, in which case we may require you to: provide all client information to the owner or designated representative of such Maid Brigade business; introduce referral sources in the area to the owner or designated representative of such Maid Brigade business; and aid in the transition of the referral source and client services to the owner or designated representative of such Maid Brigade business.

We reserve the right to permit you to service clients located outside your Operating Territory, even if we subsequently assign the area in which the client is located to another Maid Brigade business. Similarly, we reserve the right to permit other Maid Brigade business to service clients located in your Operating Territory if any of the following are true: (a) the other Maid Brigade business previously serviced the client; (b) you do not have the applicable licenses or certification required by applicable law to service the client; or (c) the client specifically requests service from such other Maid Brigade business.

**Additional Franchises and Territories.**

You are not granted any options, rights of first refusal or similar rights to acquire additional territories or Maid Brigade Businesses.

**Competitive Businesses Under Different Marks**

Currently, neither we nor any affiliate of ours intends to operate or franchise another business under a different trademark that sells products or services similar to the services offered by a Maid Brigade business. However, we reserve the right to do so.

**ITEM 13  
TRADEMARKS**

We own several trademarks, service marks, symbols, and logotypes that we license to you under the Franchise Agreement (the “Marks”). The principal Mark you will use to identify your Franchised Business is the service mark “Maid Brigade®.” All registrations are in the name of Maid Brigade, Inc., our predecessor, and are being assigned to us.

We registered the Mark “Maid Brigade” on the Principal Register of the United States Patent and Trademark Office (the “PTO”) as follows:

Mark	Registration No.	Registration Date	Type of Mark
 Maid Brigade	6,657,295	March 1, 2022	Service Mark
Maid Brigade (word mark)	6,659,732	March 1, 2022	Service Mark
 Maid Brigade	5,295,625	September 26, 2017	Service Mark
PUREMIST	5,875,400	October 1, 2019	Service Mark

Mark	Registration No.	Registration Date	Type of Mark
PURE CLEANING  (words only)	5,942,713	December 24, 2019	Service Mark
	5,942,715	December 24, 2019	Service Mark

We have filed all required renewals and affidavits of use with the PTO, and the PTO has accepted them. We have also registered the “Maid Brigade” service mark in the following countries, as a part of our international expansion campaign:

Country	Mark	Date Registered	Serial Number
Canada	MAID BRIGADE	June 12, 1987	0536740
Egypt	MAID BRIGADE	February 12, 2000	130,585
European Community	MAID BRIGADE	January 13, 2000	001464213
Singapore	MAID BRIGADE	January 15, 2000	T00/00574J

We grant you a limited license to use the Marks in connection with your operation of the Franchised Business, provided you comply with our requirements. We also license others to use the Marks; thus, we refer to your license as “nonexclusive.” Although your license to use the Marks is nonexclusive, neither we nor any other franchisee of ours may sell services using the Marks in the Operating Territory. After the Franchise Agreement terminates or expires, you cannot: (i) use the Marks, directly or indirectly, or any colorable imitation of them; (ii) identify your office or any other business of yours as a Maid Brigade Franchise; or (iii) identify yourself as a former franchisee of ours, or suggest in any way that you and we were associated.

You must use the “Maid Brigade” Mark in the form “Maid Brigade of [the city or other geographic identifier where the Operating Territory is located]” to identify your Franchised Business. You cannot use any Mark as part of any corporate name or with any prefix, suffix, or other modifying words, designs, or symbols unless we agree. We may add additional marks to the Marks we license you to use or delete marks from the Marks, and may modify any or all of the Marks. If we do so, you must use them as we specify. You will be reasonable for all out-of-pocket costs you incur due to our modification or discontinuance of any Mark. Since we own all rights to the Marks, we will not compensate you for any goodwill associated with your use of the Marks; your use of the Marks and any goodwill you establish in them will inure to our benefit.

There are no presently effective determinations of the PTO, the Trademark Trial and Appeal Board, the Trademark Administrator of any state, or any court, that materially limit your right to use any Mark. There is currently no pending interference, opposition, or cancellation proceeding, nor any pending material litigation, involving the Marks that is relevant to their use anywhere in the United States. There are currently no pending agreements in effect that affect or limit our use or our ability to license others to use the Marks in any manner material to your Franchise. To our knowledge, there are currently no superior rights or infringing uses that could materially affect your use of the Marks in any state.

We will defend you against, and reimburse you for, any damages for which you are held liable in any proceeding (like a trademark infringement or unfair competition proceeding) arising out of your proper, authorized use of the Marks.

You must notify us of any apparent infringement of the Marks, any challenge to your use of them, and any claim to rights to the Marks by any person who is not a franchisee of ours. We have the right to protect and defend the Marks and to monitor their use. We intend to protect our rights in the Marks, and will take any action we deem appropriate to enforce our rights related to them. We have the exclusive right to control any litigation or administrative proceeding in any way related to any Mark, and to receive any damages or benefits arising out of any action related to the Marks.

#### **ITEM 14**

#### **PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

There are no patents, pending patent applications, or registered copyrights that are material to your Franchise.

We claim common law rights and copyright protection in a number of different items you will use in operating your Franchised Business, including our Total Management Software Solution software, our Confidential Operations Manual, our advertising and promotional materials, and our administrative and office forms. We have not registered any of these copyrighted materials with the United States Registrar of Copyrights, although we may do so.

There are currently no effective determinations of the United States Copyright Office or any court regarding any of our copyrights, nor are there any currently-effective agreements between any third parties and us that will significantly limit our right to use or license others to use any of our copyrighted material in any manner material to your Franchise. We do not know of any infringing uses that could materially affect your use of our copyrighted material in this state or any state in which the Franchised Business is located.

We grant you a non-exclusive license to use our Total Management Software Solution software. The license agreement requires you to acknowledge and agree that the software is a valuable, proprietary product of ours, the design and development of which took considerable time and money and the effort of skilled computer programmers. You agree to keep the software and any data you generate confidential during and after the term of the Franchise Agreement. You must take reasonable steps to ensure the secrecy of the software and

to prevent any unauthorized person from gaining access to it. You must treat the software as our confidential, proprietary, and trade secret information.

We claim proprietary rights in all data collected from former, existing, and/or potential customers including customer names and addresses, discounts and credit extensions to customers, customer contracts, designs, and status information (collectively, "Customer Information"), as well as the contents of our Confidential Operations Manual and in all other materials and information related to the Maid Brigade System including our methods of operating a business, housecleaning techniques, specifications, marketing and sales techniques, advertising programs, cleaning equipment and supplies, supplier lists, price lists, expansion plans, advertising strategies, and other information we create or use (collectively, the "Confidential Information"). You are prohibited from disclosing Customer Information and our other proprietary information, trade secrets, and Confidential Information to third parties, including entering such information into public/open AI models or any other AI model that uses such information to train the AI unless specifically authorized by us, and you must adhere to any privacy policies we may now, or in the future, establish with respect to Customer Information.

You agree to maintain the confidentiality of this information both during and after the term of the Franchise Agreement, and agree that you will not use this information in any other business or in any manner that we do not approve in writing. You may not communicate, divulge, or otherwise display this information to anyone other than your employees who have a need to know of it in order to operate the Franchised Business. You must have all your management personnel execute a non-disclosure/non-compete agreement, in a form we prepare, to ensure that they maintain the confidentiality of our confidential and proprietary information. Your client lists are our property, and you cannot use them for any purpose other than to support the Franchised Business. We have the right to take legal action against you if there has been an unauthorized use of our confidential information through you.

We are not required to protect or defend our copyrights, although we intend to do so when it is in the best interests of the Maid Brigade System. We have the exclusive right to control any copyright litigation. We are not required to participate in your defense or to indemnify you for damages or expenses you incur if you are a party to any administrative or judicial proceeding involving our confidential information or copyrighted materials.

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

Your Business must be personally supervised by a "Designated Manager" who must devote his or her full time and best efforts to the Business. We may require that the Designated Manager be an owner of your Business or we may allow you, with our prior written approval, to hire an individual (who is not an owner) to serve as the Designated Manager. Any person you hire to serve as the Designated Manager must: (a) be approved by us; and (b) successfully complete initial training to our satisfaction.

You must also designate an owner to serve as your "Responsible Owner". The Responsible Owner must: (a) be approved by us; (b) successfully complete initial training to our satisfaction; (c) have a material ownership

interest in you; and (d) have the authority to bind you regarding all operational decisions with respect to your Business. If you are a legal entity and your Designated Manager owns an interest in you, then your Designated Manager and your Responsible Owner may be the same person.

If the franchisee is an entity, each of the principals of the entity must sign the guaranty attached to the Franchise Agreement as Schedule "E" whereby the principals assume and agree to discharge all obligations of the "Franchisee" under the Franchise Agreement and otherwise be personally bound to the terms of the Franchise Agreement. We may require your spouse, and the spouse of the principals to sign the guaranty, if needed to satisfy our standards of creditworthiness or to secure the Franchisee's obligations under this Agreement.

All your employees charged with management responsibility for the day-to-day operations of the Franchised Business must either be trained by us or otherwise trained by you to our satisfaction. We must consent to the employment of all such management personnel in writing before they assume any such management responsibility, and all such management personnel must execute a non-disclosure/non-compete agreement we create that requires such personnel to maintain the confidential nature of our trade secrets, confidential and proprietary information, and the System, including the Manuals, during the term of their employment and thereafter. You must inform us in writing immediately on the termination of employment of any management personnel.

#### **ITEM 16**

#### **RESTRICTIONS ON WHAT THE FRANCHISE MAY SELL**

The Maid Brigade System is a comprehensive system for operating a home cleaning service. The System offers customers the same services from each franchisee; thus, you must offer the professional daytime, light housecleaning services we authorize. We have the right to change the System and the goods and services you will offer under it as we deem appropriate. You may not offer heavy janitorial services and any other services we do not authorize.

In offering these services, you may use only equipment, materials, supplies, uniforms, forms, and products that meet our specifications. You must operate the Franchised Business in complete compliance with our System, which permits us to dictate requirements about your uniforms, cleaning materials, procedures for performing cleaning services, hours of operation, and advertising.

## ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

### THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise or other Agreement	Summary
a. Length of the franchise term	Section 1.1	10 years from the full execution of the Franchise Agreement.
b. Renewal or extension of term	Section 1.2	If you meet our conditions for renewal, you can enter into 2 consecutive successor franchise agreements. Each renewal term is 5 years. The parties may mutually agree to further renewals but neither party is obligated to do so (subject to state law).
c. Requirements for you to renew or extend	Section 1.2	Full compliance with the agreement during initial term, give us notice, sign a new franchise agreement, pay a renewal fee, and sign a release. Your new agreement may have materially different terms and conditions than your original contract, but the boundaries of the Operating Territory will remain the same. The royalties and other fees may increase but they will be no greater than the royalties and other fees that we then impose on similarly situated renewing franchisees.
d. Termination by you	Not Applicable	Not applicable (subject to state law).
e. Termination by us without cause	Not Applicable	We may only terminate for cause.
f. Termination by us with cause	Sections 14.2 and 14.3	We can terminate if you default or commit any one of several listed violations
g. "Cause" defined — curable defaults	Section 14.3	10 days to cure monetary defaults; 20 days to correct financial problems; 30 days for breach of certain provisions of agreement; 60 days to assign franchise after death of franchisee; 2 days for failure to actively operate franchise or for operating franchise in unsafe manner; 3 days for selling or using unauthorized products; and prompt response to satisfy customer complaints

Provision	Section in Franchise or other Agreement	Summary
h. "Cause" defined — non-curable defaults	Section 14.3	Assignment for the benefit of creditors, bankruptcy, insolvency, abandonment of franchise, execution, seizure, foreclosure, levy or distress against your assets; failure to report purchases; financial misrepresentation; attempted transfer of franchise without following procedures; unauthorized use of our trademarks or confidential information; repeated failures to submit required information to us; repeated understatement of Gross Revenues; receipt of 2 or more notices of default during any 12-month period; violations of laws or regulations covering operation of franchise; failure to achieve minimum sales levels for three consecutive years; and multiple violations of agreement whether or not cured
i. Your obligations on termination/non-renewal	Section 15 and Schedule D	Pay outstanding amounts, de-identify (including changing telephone number), return manuals and confidential information to us, return proprietary software and a listing of all past and current customers, comply with covenant against competing with us, sell us your franchise if we exercise our right to purchase, transfer your telephone numbers and directory listings to us, professionally correspond with customers and return property and keys
j. Assignment of contract by us	Section 16.1	We may freely assign the agreement in our absolute discretion
k. "Transfer" by you — definition	Section 16.2	Includes direct, indirect or contingent transfer, in whole or in part, of any interest in the Franchised Business
l. Our approval of transfer by you	Sections 16.2, 16.3, and 16.4	Right to withhold approval at our sole discretion in most cases except assignment by individual franchisees to a corporate franchisee or transfers among individual franchisees
m. Conditions for our approval of transfer	Sections 16.2, 16.3, and 16.4	[Permitted Transfers – as defined in Note 2 in Item 6] You must: be in compliance with Franchise Agreement; pay transfer fee (no fee for a Transfer by individual owners to a wholly-owned entity within 6 months after signing Franchise Agreement); provide corporate documents (if assignee is an entity); and sign general release (subject to state law).
		[Other Transfers] Transferee must: meet our qualifications; successfully complete training; sign then-current form of franchise agreement or, at our option, assume your Franchise Agreement. You must: be in compliance with Franchise Agreement; pay transfer fee; and sign general release (subject to state law).
n. Our right of first refusal to acquire your business	Section 16.6	This right is triggered by your receiving a <i>bona fide</i> written offer to purchase your Franchised Business and its assets. Our right of first refusal does not apply to a Permitted Transfer.

Provision	Section in Franchise or other Agreement	Summary
o. Our option to purchase your business	Section 15.6	This option is triggered by the termination or nonrenewal of your agreement
p. Your death or disability	Section 16.5	No transfer fee is charged
q. Non-competition covenants during the term of the franchise	Section 5.6	No interest in or involvement with a Competitive Business during the term of the franchise.
r. Non-competition covenants after the franchise is terminated or expires	Section 15.5	For 2 years, no interest or involvement with a Competitive Business that is located or provides services: (a) within your Operating Territory; or (b) within the territory of any other Maid Brigade business. During that time, you also must not provide any services that a Competitive Business offers to any customer of ours or any client of a Maid Brigade Business, regardless of where the customer is located.
s. Modification of the agreement	Section 18.4	No modification without written agreement, but we may change manual without your consent
t. Integration/merger clause	Section 18.10	Only terms of the Franchise Agreement (subject to state law) are binding. Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable. Nothing in the Franchise Agreement or any related Agreement is intended to disclaim our representations made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	Section 18.17	<p>You must first bring any claim or dispute between you and us to our President and provide us with 30 days' notice and opportunity to cure. You must exhaust this internal dispute resolution procedure before you may bring your dispute before a third party.</p> <p>After exhausting this internal dispute resolution procedure, at our option, all claims or disputes must be submitted first to mediation, except for certain disputes involving our intellectual property or compliance with restrictive covenants (subject to applicable state law).</p>
v. Choice of forum	Section 18.16	All legal proceedings will take place in the District Court of the United States, in the district where our headquarters is then located, or if this court lacks jurisdiction, the state courts of the state and county where our headquarters is then located (currently Maricopa County, Arizona) (subject to applicable state law).
w. Choice of law	Section 18.18	Arizona law applies (subject to state law).

**ITEM 18**  
**PUBLIC FIGURES**

We do not use any public figure to promote our franchise. You have no right to use the name of any public figure for purposes of promotional efforts, advertising, or endorsements, except with our prior written consent. No public figure has any investment in the System or us.

**ITEM 19**  
**FINANCIAL PERFORMANCE REPRESENTATIONS**

The FTC 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.

As of December 31, 2024, there were 71 franchisees operating in 287 territories. This Item discloses the average Gross Revenues of 70 franchisees (the “Included Franchisees”) open the entire period from January 1, 2024, to December 31, 2024 (the “Measurement Period”). Table One discloses 14 Included Franchisees that operate in a single Operating Territory, with territories ranging from 21,875 to 44,800 Qualified Households. Table 2 discloses 56 Included Franchisees that operate in multiple Operating Territories, with territories ranging from 46,150 to 741,514 Qualified Households. Excluded from this Item 19 is one franchisee that opened in 2024 and therefore did not operate for the full Measurement Period, as well as all company owned outlets.

We obtained Gross Revenue information included herein from our internal records based on franchisees reporting their Gross Revenues when they made royalty payments to us. All records we have are available for your review at our corporate headquarters. Gross Revenue information used to compile this chart has not been audited.

**Gross Revenues Summary Report**  
**Year Ending December 31, 2024**

**Table One: Single Operating Territory Franchisees**

The Table below shows the Average and Median Gross Revenues achieved during the Measurement Period for 14 Included Franchisees that operated in a single Operating Territory. The data also includes highest Gross Revenues, lowest Gross Revenues, and the number and percentage of outlets that attained or surpassed the stated average Gross Revenues. The Included Franchisees are divided into groups based on the level of Included Franchisee’s Average Gross Revenues achieved during the Measurement Period (i.e., top 1/3, middle 1/3, and bottom 1/3).

Single Territory Franchisees	2024 Average Gross Revenues	No. Of Franchisee's Above/Below Average	Gross Revenue (lowest and highest)	Median Gross Revenue
All Franchisees	\$410,782	5 Above; 9 below	\$62,867 - \$1,255,832	\$366,688
Top 1/3 performing franchisees (five (5) franchisees)	\$810,020	2 Above; 3 Below	\$536,730 - \$1,255,832	\$624,683
Middle 1/3 performing franchisees (five (5) franchisees)	\$315,421	3 Above; 2 Below	\$210,288 - \$383,208	\$366,688
Lowest 1/3 franchisees (five (5) franchisees)	\$79,801	2 Above; 2 Below	\$62,867 - \$203,020	\$83,527

**Table Two: Multi-Territory Franchisees**

The Table below shows the Average and Median Gross Revenues achieved during the Measurement Period for 56 Included Franchisees that operated in multiple Operating Territories. The data also includes highest Gross Revenues, lowest Gross Revenues, and the number and percentage of outlets that attained or surpassed the stated average Gross Revenues. The Included Franchisees are divided into groups based on the level of Included Franchisee's Average Gross Revenues achieved during the Measurement Period (i.e., top 1/3, middle 1/3, and bottom 1/3).

The 19 franchisees within the Top 1/3 operate between 3 and 25 territories. The 19 franchisees within the middle 1/3 operate between 2 and 10 territories. The 18 franchisees within the lowest 1/3 operate between 2 and 10 territories.

Multiple Territory Franchisees	2024 Average Gross Revenues	No. Of Franchisee's Above/Below Average	Gross Revenues (lowest and highest)	Median Gross Revenues
All Franchisees	\$1,097,909	23 Above; 33 Below	\$96,182 - \$5,868,775	\$730,220
Top 1/3 performing franchisees (19 franchisees)	\$2,141,565	7 Above; 12 Below	\$1,268,133 - \$5,868,775	\$1,864,403
Middle 1/3 performing franchisees (19 franchisees)	\$787,611	7 Above; 12 Below	\$492,354 - \$1,237,102	\$725,585
Lowest 1/3 franchisees (18 franchisees)	\$323,809	10 Above; 8 Below	\$96,182 - \$476,294	\$344,164

Notes.

1. The term “Gross Revenue” means the actual gross charges, whether or not actually collected, for all goods and services purchased by or provided to customers, whether for cash, credit, barter, or in kind, and whether in, upon, from, through or by any means, related to the Included Franchisees. Gross Revenue includes standard visit charge, and does not include discounted services. Gross Revenue excludes the price of goods exchanged for goods, the sale of which has already been included in Gross Revenue, and the amount of any retail tax imposed by any federal, state, municipal, or other governmental authority directly on sales and collected from customers at the point of sale by you acting as agent for such authority. The average disclosed above is determined by dividing total Gross Revenues by the number of Included Franchisees in the Table.

2. Excluded from this Item are all costs and expenses, including royalties and advertising fees, that you will incur as a franchisee.

**Some Maid Brigade businesses have sold this amount. Your individual results may differ. There is no assurance that you will sell as much.**

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

Other than the preceding financial performance representation, Maid Brigade does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Maid Brigade at 8100 E. Indian School Road, Suite 201, Scottsdale, Arizona 85251, 714-846-3800, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20 OUTLETS AND FRANCHISEE INFORMATION**

**TABLE 1**  
**SYSTEM WIDE OUTLET SUMMARY**  
**FOR FISCAL YEARS 2022 TO 2024**

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets as the End of the Year</b>	<b>Net Change</b>
Franchised	2022	71	68	-3
	2023	68	71	+3
	2024	71	71	0
Company Owned	2022	2	2	0
	2023	2	2	0
	2024	2	3	+1

Outlet Type	Year	Outlets at the Start of the Year	Outlets as the End of the Year	Net Change
Total Outlets	2022	73	70	-3
	2023	70	73	+3
	2024	73	74	+1

**TABLE NUMBER 2**  
**TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS**  
**(OTHER THAN THE FRANCHISOR)**  
**FOR FISCAL YEARS 2022 TO 2024**

State	Year	Number of Transfers
Arizona	2022	0
	2023	0
	2024	1
California	2022	1
	2023	0
	2024	0
Colorado	2022	0
	2023	1
	2024	0
Connecticut	2022	1
	2023	0
	2024	0
Florida	2022	0
	2023	1
	2024	0
Georgia	2022	1
	2023	0
	2024	0
Illinois	2022	0
	2023	1
	2024	0

State	Year	Number of Transfers
Missouri	2022	0
	2023	0
	2024	0
New Jersey	2022	0
	2023	1
	2024	0
North Carolina	2022	1
	2023	0
	2024	0
Texas	2022	2
	2023	2
	2024	0
Wisconsin	2022	0
	2023	0
	2024	1
Totals	2022	6
	2023	6
	2024	2

**TABLE NUMBER 3**  
**STATUS OF FRANCHISED UNITS**  
**FOR THE FISCAL YEARS 2022 TO 2024**

State	Year	Outlets at Start of Year	Outlets Opened	Termination	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at the end of Year
Alabama	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Arizona	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2

State	Year	Outlets at Start of Year	Outlets Opened	Termination	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at the end of Year
California	2022	8	1	0	0	0	2	7
	2023	7	0	0	0	0	0	7
	2024	7	0	0	0	0	0	7
Colorado	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Connecticut	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Florida	2022	5	1	0	0	0	0	6
	2023	6	3	0	0	0	0	9
	2024	9	0	0	0	0	0	9
Georgia	2022	3	0	0	0	0	2	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Hawaii	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Idaho	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Illinois	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	1	2
	2024	2	0	0	0	0	0	2
Indiana	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Termination	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at the end of Year
Kentucky	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Massachusetts	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	1	1
Maryland	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Michigan	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Minnesota	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Missouri	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Nebraska	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	1	0	0	0	0
Nevada	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	1	1
	2024	1	0	0	0	0	0	1
New Jersey	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3

State	Year	Outlets at Start of Year	Outlets Opened	Termination	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at the end of Year
New Mexico	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
New York	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
North Carolina	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	1	0	0	0	0	3
Ohio	2022	1	0	0	0	0	1	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Oklahoma	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Oregon	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Pennsylvania	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Tennessee	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Texas	2022	9	1	0	0	0	1	9
	2023	9	0	0	0	0	0	9
	2024	9	0	0	0	0	0	9

State	Year	Outlets at Start of Year	Outlets Opened	Termination	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at the end of Year
Utah	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Virginia	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Washington	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
Wisconsin	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Totals	2022	71	3	0	0	0	6	68
	2023	68	5	0	0	0	2	71
	2024	71	2	1	0	0	1	71

Our standard territory size is one with 30,000 qualified households. Between 2023 and 2025, we offered mid-size market franchises containing approximately 20,000 qualified households, but we did not offer or sell any of those territories in 2022 or prior years.

**Table Number 4**  
**STATUS OF COMPANY-OWNED BUSINESSES**  
**FOR FISCAL YEARS 2022 TO 2024**

State	Year	Outlets at the Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
Florida	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1

State	Year	Outlets at the Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
	2024	1	0	0	0	0	1
Tennessee	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Virginia	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	1	0	0	1
Total	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2
	2024	2	0	1	0	0	3

**TABLE NUMBER 5  
PROJECTED OPENINGS AS OF DECEMBER 31, 2024**

State	Franchise Agreements Signed but Business not yet Operational	Projected New Franchisees in the Next Fiscal Year	Projected Company Owned Openings in Next Fiscal Year
Alabama	0	1	0
California	0	1	0
Florida	0	1	0
Massachusetts	0	1	0
New York	0	1	0
North Carolina	0	1	0
Ohio	0	1	0
Utah	0	1	0

State	Franchise Agreements Signed but Business not yet Operational	Projected New Franchisees in the Next Fiscal Year	Projected Company Owned Openings in Next Fiscal Year
<b>Totals</b>	<b>0</b>	<b>8</b>	<b>0</b>

The names of all franchisees and the addresses and telephone numbers of their franchises as of December 31, 2024, are listed as Exhibit E-1 to this Disclosure Document. All listed on Exhibit E-1 were operational as of December 31, 2024. A list of the names and last known home addresses and telephone numbers of every franchisee whose franchise was terminated or canceled, or who otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the fiscal year ended December 31, 2024, or who has not communicated with us within 10 weeks of the date of this Disclosure Document, is attached as Exhibit E-2. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

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

There is no independent franchisee association required to be disclosed in this Item 20.

**ITEM 21  
FINANCIAL STATEMENTS**

Attached to this Disclosure Document as Exhibit D are audited consolidated financial statements for EHC Holding Company, LLC, our parent, for the fiscal years ended December 31, 2024, December 31, 2023, and December 31, 2022, as well as its unaudited financial statements as of June 30, 2025. Our parent, EHC Holding Company, LLC, has guaranteed our performance with you. A copy of the guaranty of performance is included in Exhibit D. Our fiscal year end is December 31.

**ITEM 22  
CONTRACTS**

The following agreements are in use in your state for the franchise offering described in the Disclosure Document:

Agreement	Exhibit to This Disclosure Document
Franchise Agreement with State Law Addendum	Exhibit B
Corporate Assignment Agreement	Exhibit C
Statement of Prospective Franchisees	Exhibit F

**ITEM 23**  
**RECEIPT**

Two copies of a detachable receipt in **Exhibit M** are located at the very end of this Disclosure Document. Please sign one copy of the receipt and return it to us at the following address:

Attention:

MB Franchise Holdings, Inc.

8100 E. Indian School Road, Suite 201

Scottsdale, AZ 85251

Telephone: 770-551-9630

**ADDENDUM A TO**  
**MB FRANCHISE HOLDINGS, INC.**  
**DISCLOSURE DOCUMENT**

**STATE REGULATIONS AND REQUIREMENTS**

The following information supplements our Disclosure Document and supersedes any conflicting information contained in the main body of the Disclosure Document:

**FOR RESIDENTS OF THE STATE OF CALIFORNIA**

CALIFORNIA CORPORATIONS CODE SECTION 31125 REQUIRES THAT THE FRANCHISOR GIVE THE FRANCHISEE A DISCLOSURE DOCUMENT APPROVED BY THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION PRIOR TO A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

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

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

The Franchise Agreement provides for termination on bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et. seq.).

The Franchise Agreement contains a covenant not to compete that extends beyond the termination of the Franchise. This provision may not be enforceable under California law.

The Franchise Agreement requires application of the laws of the State of Arizona. This provision may not be enforceable under California law.

In addition to the information contained in Item 3 of the Disclosure Document, neither the Franchisor or any person identified in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as

defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in that association or exchange.

**Registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the Commissioner.**

California Corporations Code, Section 31125 requires us to give you a disclosure document approved by the Department of Financial Protection and Innovation prior to solicitation of a proposed material modification of an existing franchise.

California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination or non-renewal of the Franchised Business. If the Franchise Agreement is inconsistent with the law, the law will control.

The Franchise Agreement requires you to execute a general release of claims on renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order under this Agreement is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000-31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000-20043).

In accordance with CCR § 310.156.3(a)(3), the Franchisor's URL address is [www.Maidbrigade.com](http://www.Maidbrigade.com). "OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION, ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION at [www.dfpi.ca.gov](http://www.dfpi.ca.gov).

The highest interest rate allowed by law in California for late payments is 10% per year.

Franchise owners must sign a personal guaranty, making you and your spouse individually liable for your financial obligations under the agreement if you are married. The guaranty will place your and your spouse's marital and personal assets at risk, perhaps including your house, if our franchise fails.

### **Section 31512.1 Franchise Agreement Provisions Void as Contrary to Public Policy:**

Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:

- (a) Representations made by the franchisor or its personnel or agents to a prospective franchisee;
- (b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents;
- (c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto;
- (d) Violations of any provision of this division.

### **FOR RESIDENTS OF THE STATE OF ILLINOIS**

The conditions under which your franchise can be terminated and your rights upon non-renewal may be affected by Illinois Law, ILCS 705/19 and 705/20.

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

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

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

### **FOR RESIDENTS OF THE STATE OF INDIANA**

The release described in Section 1.2 of the Franchise Agreement will exclude liabilities under Indiana Code Section 23-2-2.7.

## **FOR RESIDENTS OF THE STATE OF MARYLAND AND FRANCHISES TO BE OPERATED IN MARYLAND**

Notwithstanding any provisions in the Franchise Agreement to the contrary, any claims arising out of the Maryland Franchise Registration and Disclosure Law may be brought within the State of Maryland. This amends Item 17(v) of the FDD.

Pursuant to COMAR 02.02.08.16L of the Maryland Franchise Registration and Disclosure Law, a general release required as a condition to renewal, sale, and/or assignment/transfer of a franchise shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law. This amends Item 17(m) of the FDD

Any claim arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise. No provision in the Franchise Agreement shall have the effect of reducing the three year period provided under the Maryland statute. This amends Item 17(w) of the FDD.

This Appendix amends the disclosures set out in Item 17 of the Disclosure Document, with respect to franchisees in Maryland.

This addendum applies not only to franchises sold to residents of Maryland but also to franchises to be operated in Maryland.

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

## **FOR RESIDENTS OF THE STATE OF MINNESOTA**

With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat § 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days for notice for non-renewal of the franchise agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.

Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release. The provisions in the franchise agreement calling for such a release in connection with either a renewal or a transfer of the franchise agreement will not be enforced with respect to franchises governed by Minnesota law.

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

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

Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to [Minnesota Statute 80C.12 Subd. 1\(G\)](#). The franchiser will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name.

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See [Minnesota Rule 2860.4400\(J\)](#) also, a court will determine if a bond is required.

The Limitations of Claims section must comply with [Minnesota Statute 80C.17 Subd. 5](#).

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

#### **FOR RESIDENTS OF THE STATE OF NEW YORK**

1. The following information is added to the cover page of the Franchise Disclosure Document: INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE

FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be added at the end of Item 3: Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark: A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations. B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations. C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations. D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective Rev. March 17, 2021 2 injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "Requirements for franchisee to renew or extend," and Item 17(m), entitled "Conditions for franchisor approval of transfer": However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

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

5. The following is added to the end of the “Summary” sections of Item 17(v), titled “Choice of forum”, and Item 17(w), titled “Choice of law”: The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York

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

#### **Virginia State Law Appendix**

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

#### **Washington State Law Appendix**

##### **WASHINGTON ADDENDUM TO FRANCHISE Disclosure Document and related Agreements**

In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under the franchise agreement or offering circular, and (b) is open for business.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement,

a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

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

The undersigned does hereby acknowledge receipt of this addendum.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_.

\_\_\_\_\_

FRANCHISOR

\_\_\_\_\_

FRANCHISEE

**EXHIBIT A**

**THE MB FRANCHISE HOLDINGS, INC. DISCLOSURE DOCUMENT**

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**LIST OF STATE ADMINISTRATORS**

**AND**

**AGENTS AUTHORIZED TO RECEIVE**

**SERVICE OF PROCESS**

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## State Administrators

We intend to register this Disclosure Document as a “franchise” in some or all of the following states, in accordance with the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in that state:

### California

Department of Financial Protection and Innovation  
320 West 4th Street  
  
Suite 750  
  
Los Angeles, CA 90013-1105  
  
(213) 576-7500, also 1-866 ASK-CORP (1-866-275-2677)

### Hawaii

Director of Commerce and Consumer Affairs  
  
335 Merchant Street, Suite 203  
  
Honolulu, HI 96813  
  
(808) 586-2722

### Illinois

Office of the Attorney General  
  
Franchise Bureau  
  
500 South Second Street  
  
Springfield, IL 62706  
  
(217) 782-4465

### Indiana

Indiana Secretary of State  
  
Indiana Securities Division/Franchise Section  
  
302 W. Washington Street, Room E-111  
  
Indianapolis, IN 46204

(317) 232-6681

Maryland

Office of the Attorney General  
Maryland Division of Securities  
200 St. Paul Street  
Baltimore, MD 21202-2020  
(410) 576-6360

Michigan

Michigan Department of the Attorney General  
Consumer Protection Division  
Antitrust and Franchise Unit  
670 Law Building  
Lansing, MI 48913  
(517) 373-7117

Minnesota

Minnesota Department of Commerce  
Registration and Licensing Division  
85 7<sup>th</sup> Place East, Suite 280  
St. Paul, MN 55101  
(651) 539-1500

New York

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

North Dakota

Office of Securities Commissioner  
600 East Boulevard, 5th Floor  
Bismarck, ND 58505  
(701) 328-4712

Rhode Island

Department of Business Regulation  
Division of Securities  
233 Richmond Street, Suite 232  
Providence, RI 02903-4232  
(401) 277-3048

South Dakota

South Dakota Department of Commerce and Consumer Regulation  
Division of Securities  
c/o 118 West Capitol  
Pierre, SD 57501  
(605) 773-4013

Virginia

State Corporation Commission  
Division of Securities and Retail Franchising  
1300 E. Main Street, 9th Floor  
Richmond, VA 23219  
(804) 371-9051

Washington

Department of Financial Institutions  
Securities Division

150 Israel Rd SW  
Tumwater, Washington 98501  
(360) 902-8760

Wisconsin

Wisconsin Securities Commission  
Securities and Franchise Registration  
101 East Wilson Street  
Madison, WI 53703  
(608) 266-3431



Michigan

Michigan Department of Commerce  
Corporation and Securities Bureau  
6546 Mercantile Way  
Lansing, Michigan 48910

Minnesota

Commissioner of Commerce of Minnesota  
Department of Commerce  
85 7<sup>th</sup> Place East, Suite 280  
St. Paul, Minnesota 55101

New York

New York Secretary of State  
New York Department of State  
One Commerce Plaza  
99 Washington Avenue, 6<sup>th</sup> Floor  
Albany, New York 12231-0001  
(518) 473-2492

North Dakota

North Dakota Securities Commissioner  
State Capitol  
Bismarck, North Dakota 58505

Rhode Island

Director of Department of Business Regulation  
233 Richmond Street  
Suite 232  
Providence, Rhode Island 02903-4232

South Dakota

Director, Division of Securities  
Department of Commerce and Regulation  
118 West Capitol Avenue  
Pierre, South Dakota 57501-2017

Virginia

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

Washington

Washington Department of Financial Institutions  
150 Israel Rd SW  
Tumwater, Washington 98501

Wisconsin

Wisconsin Commissioner of Securities  
101 East Wilson Street  
Fourth Floor  
Madison, Wisconsin 53701

**EXHIBIT B**

**THE MB FRANCHISE HOLDINGS, INC. DISCLOSURE DOCUMENT**

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**FRANCHISE AGREEMENT**

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**FRANCHISE AGREEMENT**

**BETWEEN**

**MB FRANCHISE HOLDINGS, INC.**

**AND**

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### SCHEDULES

- A - Description of Operating Territory
- B - State-Specific Amendments
- C - Telephone Listing Agreement
- D - Bank Draft Form
- E - Personal Guaranty
- F - Nondisclosure and Noncompetition Agreement

**MB Franchise Holdings, INC.**

**MAID BRIGADE® FRANCHISE AGREEMENT**

THIS FRANCHISE AGREEMENT (the “Agreement”) is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 202\_\_ (the “Effective Date”), by and between MB FRANCHISE HOLDINGS, INC., a Georgia corporation with its principal place of business at 8100 E. Indian School Road, Suite 201, Scottsdale, AZ 85251 (“we,” “us,” “Maid Brigade” or the “Company”) and \_\_\_\_\_, whose principal address is shown on Schedule A to this Agreement (“you”).

**BACKGROUND**

A. Franchisor and its affiliates have developed a system (the “System”) licensing to franchisees a business model for the establishment, operation, and promotion of businesses that offer light cleaning services under the Marks (as defined below) (each, a “Franchise” or “Franchised Business”).

B. The distinguishing characteristics of the System include, without limitation; proprietary teaching, instructing and training methods; uniform standards, specifications, policies, and procedures for operations; quality and uniformity of the products and services offered; procedures for inventory, management, and financial control; training and assistance; and advertising and promotional programs, all of which may be changed, improved, and further developed by the Company from time to time.

C. The System is identified by certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including, but not limited to, the mark “MAID BRIGADE”, and such other trade names, service marks, trademarks, logos, emblems, and indicia of origin as are now designated, and may hereafter be designated by the Company in writing, for use in connection with the System (collectively, the “Marks”).

D. You wish to obtain the right to use the System for the operation of a Franchise within the territory specified or to be specified in accordance with the terms of this Agreement if not known on the Effective Date, on Schedule A (the “Operating Territory”) as well as to receive the training and other assistance provided by Company and acknowledge the importance of operating the Studio in conformity with our high standards of quality and service.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and covenants contained herein, and for other valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, you and we agree as follows:

**1. GRANT OF FRANCHISE AND RESERVATION OF RIGHTS**

1.1 Grant of Franchise. Subject to all the terms and conditions of this Agreement, we hereby grant you, and you hereby accept, the license and right to open and operate the Franchised Business within the Operating Territory described in Schedule A attached to this Agreement. You will operate your Franchised Business from your approved office location (the "Location") within the Operating Territory.

1.2 Protected Operating Territory. So long as you are in full compliance with this Agreement, we will not operate, or grant a third party the right to operate, a Maid Brigade Business under the Marks from a physical location inside your Operating Territory except as otherwise provided below.

1.3 Reservation of Rights. We and are affiliates retain all rights that are not expressly granted to You under this Agreement. Specifically, we and our affiliates reserve the right to:

(a) establish, own, or operate, and grant others the right to establish, own or operate Maid Brigade business or other businesses offering the same or similar services as those offered through the Franchised Business under the Marks anywhere outside the Operating Territory;

(b) establish, own or operate, and grant others the right to establish, own or operate, businesses that offer services in your Operating Territory that are the same as or similar to those offered by your Franchised Business, as long as these businesses do not operate under the Marks;

(c) provide, and license third parties to provide, services to National Accounts (defined and discussed in more detail below) located in your Operating Territory, including services that are (a) the same as or similar to those offered by your Franchised Business and (b) provided under the Marks;

(d) merge with, acquire or be acquired by any business that operates and/or licenses others to operate competitive businesses offering goods and services the same as or similar to those offered by your Franchised Business, and convert them to businesses operating under the Marks or any other name, even if located in your Operating Territory;

(e) advertise, market and promote the Marks, System and the services offered under the System and Marks on the Internet and inside and outside the Operating Territory; and

(f) offer, sell, operate, distribute and/or license others to sell, operate and distribute, through franchised or non-franchised businesses, at wholesale or retail, or through alternative channels of distribution (including the Internet), branded goods under the Marks or any other trademarks inside and outside the Operating Territory.

1.4 National Accounts. We reserve the right to solicit, offer and provide services to National Accounts, including within your Operating Territory. We may provide these services

directly or indirectly through affiliates, licensees or other franchisees. The term “National Accounts” means national, regional or institutional accounts or businesses that we designate, that own, manage, control, service or otherwise operate from locations that have clients or approved locations in more than one Franchised Business’s approved territory or geographic location.

(a) You may not contract with, or provide services to, National Accounts unless you obtain our prior written consent. We and/or our designees have the exclusive right, but not the obligation, to negotiate and enter into agreements with National Accounts, including National Accounts with locations in your Operating Territory. If a National Account contacts you directly, you must refer the National Account to us. If a National Account requests services inside your Operating Territory, we will offer you the right to provide the services on the same terms and conditions as are in the contract we negotiate with the National Account.

(b) We are not required to offer you the right to provide services to a National Account if any of the following are true: (i) you are in default of the Franchise Agreement or any other agreement between you and us; (ii) in our business judgment, we do not believe that you are able to provide the requested services to the National Account; (iii) you fail to accept the National Account business within the timeframe outlined in the National Account offer or agreement; or (iv) the National Account objects to you providing the service. If we are not required to offer you the right to service the National Account, or if we offer you the right but you decline the offer or fail to accept the offer in the time and manner required by the Franchise Agreement, then we may: (a) provide the services required by the National Account inside your Territory; or (b) contract with a third party, which may be our affiliate, another Maid Brigade franchisee or an unrelated third party, to provide the services required by the National Account inside your Operating Territory. We are not required to pay you any consideration or compensation if we, our affiliate or a third party provide services to a National Account inside your Operating Territory. If you provide the services in accordance with the contract between us and the National Account, we will pay you as detailed in the Manual.

1.5 Alternative Channels of Distribution. We reserve the right to sell and distribute, and license third parties to sell and distribute, products and services bearing the Marks (or different trademarks) within your Operating Territory through alternative channels of distribution, including over the Internet or through telemarketing, direct marketing or catalogs. You are not entitled to any compensation for sales made by us or third parties within your Operating Territory through alternative channels of distribution.

1.6 Minimum Performance Requirements. Your rights to the Operating Territory depend on you achieving a certain sales volume in your Operating Territory. Franchisee Territories

with 30,000 Qualified Households are required to generate a minimum of \$6 per owned Qualified Household on an annual basis. If you fail to meet this requirement, we have the right to: (a) reduce the size of your Territory and/or eliminate your territorial protections; or (b) terminate your Franchise Agreement.

1.7 Limitation. You may not actively market or otherwise solicit business outside of the Operating Territory. The only exception to this rule is that if you advertise using broader based marketing vehicles, such as Co-Op Mailers , i.e. Val Pak, and internet based marketing, i.e. Pay Per Click, and these marketing vehicles overlap into areas outside of the Operating Territory, which have pre-determined mailing areas that include both areas within and outside of the Operating Territory. If you violate these rules and service customers, paying or non-paying, in another franchisee's operating territory, you will be in default of this Franchise Agreement. In order to cure that breach, you will be required to pay to Maid Brigade the total value of all cleaning performed, as determined by Maid Brigade, along with an additional payment of up to 20% of that amount, as a cure. In addition, you will have to immediately cease servicing the account(s) in question.

(a) With our prior written permission, you may be approved to provide the services licensed by this Agreement to locations outside of the Operating Territory, provided that the location does not fall within the operating territory of any other Maid Brigade franchisee, or within an exclusive territory of any Maid Brigade business operated by us or any of our affiliates and is reasonably contiguous to your own Operating Territory. If the location falls within an operating territory of another franchisee or of ours, you may provide services at that location only after receiving the express prior written consent of both the other franchisee and from us, which consent may be revoked at any time by either of such consenting parties. If you are servicing a location outside of the Operating Territory and not within the operating territory of another franchisee, but the area in which that location is situated is later included in the Operating Territory under a franchise granted to another franchisee, you will immediately upon receipt of notice of such event, and at our discretion, cooperate with the new franchisee in transferring the account over to the new franchisee, with no financial benefit accruing to you. If the Operating Territory hereunder contains customers that are being serviced by another franchisee, these customers will be turned over to you if and when we determine it is appropriate. The transfer is at the sole discretion of us and these rights may be revoked if we determine you fail to maintain these accounts to Maid Brigade standards.

(b) We reserve the right to permit you to service clients located outside your Operating Territory, even if we subsequently assign the area in which the client is located to another Maid Brigade business. Similarly, we reserve the right to permit other Maid Brigade business to service clients located in your Operating Territory if any of the following are true: (a) the other Maid

Brigade business previously serviced the client; (b) you do not have the applicable licenses or certification required by applicable law to service the client; or (c) the client specifically requests service from such other Maid Brigade business.

#### 1.8 Ownership and Management of Franchised Business.

(a) Your Business must be personally supervised by a “Designated Manager” who must devote his or her full time and best efforts to the Business. We may require that the Designated Manager be an owner of your Business or we may allow you, with our prior written approval, to hire an individual (who is not an owner) to serve as the Designated Manager. Any person you hire to serve as the Designated Manager must: (a) be approved by us; and (b) successfully complete initial training to our satisfaction.

(b) You must also designate an owner to serve as your “Responsible Owner”. The Responsible Owner must: (a) be approved by us; (b) successfully complete initial training to our satisfaction; (c) have a material ownership interest in you; and (d) have the authority to bind you regarding all operational decisions with respect to your Business. If you are a legal entity and your Designated Manager owns an interest in you, then your Designated Manager and your Responsible Owner may be the same person.

(c) If the franchisee is an entity, each of the principals of the entity must sign the guaranty attached to this Agreement as Schedule “E” whereby the principals assume and agree to discharge all obligations of the “Franchisee” under this Agreement and otherwise be personally bound to the terms of this Agreement. We may require your spouse, and the spouse of the principals to sign the guaranty, if needed to satisfy our standards of creditworthiness or to secure the Franchisee’s obligations under this Agreement.

## **2. TERM AND RENEWAL**

2.1 Initial Term. Except as otherwise provided herein, the initial term of this Agreement will expire at the date that is ten (10) years from the Effective Date of this Agreement.

2.2 Renewal Term. When the term of this Agreement expires, you may enter into a successor agreement for up to two (2) additional periods of five (5) years each, subject to the following conditions prior to each renewal:

(a) You deliver written notice to us of your intention to renew, less than nine (9) months but more than six (6) months before the end of the Term;

(b) You have been in full compliance with this Agreement during the Term, and you remain in full compliance with this Agreement at the end of the Term;

(c) You execute our then-current standard franchise agreement, which may contain terms that differ significantly from the terms of this Agreement; which differences may include, without limitation, different provisions regarding Royalty Fees, Advertising Fees, Local Advertising Requirements, sales quotas, and the length of the Term;

(d) You shall have paid us a successor franchise fee equal to 25% of our then-current initial franchise fee; and

(e) You execute a general release, in a form we prepare at our sole cost and expense, of any and all claims against us and our affiliates, directors, officers, and employees.

For the purposes of this Section 2.2, you will be deemed to have irrevocably declined to renew the Franchise and the foregoing option will automatically terminate, if you fail to execute and deliver to us all documents required for such renewal, including the then-current franchise agreement and the general release, within thirty (30) days after we deliver them to you for signature.

### **3. COMMENCEMENT OF BUSINESS**

You shall establish the Franchised Business and have it open and in operation no later than 180-days after the Effective Date of this Agreement. Time is of the essence. Before You open for business, we will inspect Your office. You may not open the Franchised Business to the public until: (i) You have completed our initial training program to our satisfaction, (ii) You have built out (if applicable) and equipped your Franchised Business in compliance the Franchise Agreement and the Manual, (iii) You have the proper personnel in place to operate the Franchised Business, (iv) You have received all permits, licenses, and authorizations necessary for You to being operating your Franchised Business, and (v) we provide written consent to the opening of your Franchised Business. Opening without our written consent is a material breach of this Agreement and constitutes infringement of our intellectual property rights, justifying injunctive relief and termination of this Agreement. By providing our consent to the opening of Your Franchised Business, we do not guarantee that the Franchised Business will be successful. Your success will depend on a number of factors, including general economic conditions and Your skill and hard work, which are not within our control.

### **4. TRAINING AND OPERATING ASSISTANCE**

4.1 Initial Training. Before you begin your operation of the Franchised Business, we will furnish to you our standard Initial Training Program to up to three (3) individuals, at our corporate office and/or at a Maid Brigade business designated by us. Initial training also includes virtual training that must be completed prior to attending classroom training at our corporate

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office. The initial attendees must consist of you (if You are an individual) or your Responsible Owner (if You are a legal entity), and your Designated Manager. You may send additional owners or employees to initial training only with our prior written approval, which approval shall not be unreasonably withheld provided that the designated training facility has adequate space to accommodate the additional attendees and you pay us a fee of \$400 per day per additional attendee. You are responsible for its own and your employees travel expenses. You or your Operating Principal must successfully complete pre-opening training within 90 days after the Effective Date. We may, at its discretion, elect to conduct all or any portion of initial training virtually.

When you sign this Agreement, you will pay us the sum of \$9,100 as an onboarding fee, which is for Boot Camp (4 days), On-Site Blastoff with Support Team Member (4 days), Sales Training, Remote Support/Calls for marketing, operations, and software training from MaidCentral, all of which must be completed prior to opening.

4.2 Hiring and Training of Employees. You will hire, and train at your expense, all management employees of the Franchised Business. You will be solely responsible for the terms of employment and compensation of all employees you employ. You will perform a background check on every applicant you desire to employ. You will not employ anyone: (i) whose background check suggests that such person does not adhere to the highest standards of honesty, integrity, fair dealing, and ethical conduct; or (ii) who refuses or fails to complete satisfactorily the training program you or we, as the case may be, conduct. All your employees charged with management responsibility for the day-to-day operations of the Franchised Business must either be trained by us pursuant to Section 4.1 above or otherwise trained by you to our satisfaction. We must consent to the employment of all such management personnel in writing before they assume any such management responsibility, and all such management personnel must execute a non-disclosure/non-compete agreement we create that requires such personnel to maintain the confidential nature of our trade secrets, confidential and proprietary information, and the System, including the Manuals, during the term of their employment and thereafter. You must inform us in writing immediately on the termination of employment of any management personnel.

You will place sufficient employment advertising, in amounts and media as deemed appropriate by us for the Operating Territory. The amount required to be spent will be at our discretion, but will generally be a nominal charge.

From time to time we offer additional training programs for you and/or your staff. Attendance is voluntary. Fees and expenses for attendance is your responsibility.

4.3 Operating Assistance. At no additional cost to you, we will furnish you with such advice and assistance in connection with the operation of the Franchised Business as we deem necessary in our exercise of Reasonable Business Judgment, as defined in Section 18.21 of this Agreement. Operating assistance may consist of advice and guidance with respect to:

(a) Methods and procedures for the purchase and use of equipment, materials, forms, displays, supplies, and other items you need to conduct the Franchised Business;

(b) Such additional services and products as we may approve, from time to time, to be offered through the Franchised Business;

(c) Formulating and implementing advertising and promotional programs using such merchandising, marketing, and advertising research, data, and advice as we may develop from time to time and deem to be helpful in the operation of the Franchised Business;

(d) The establishment and implementation of administration, bookkeeping, accounting, and general operating procedures for the proper operation of the Franchised Business;

(e) The operation of all equipment, machinery, and vehicles used in connection with the Franchised Business; or

(f) Additional advice regarding your use of the System.

(g) During the first year of business your advertising plan must be approved by the franchisor. We will assist you in fulfilling your obligations under Section 10.2 of this Agreement regarding the Local Advertising Requirement by directing your local advertising and promotional activities.. Nothing herein is intended to relieve you of your obligation under Section 10.2 of this Agreement;

(h) Provide you with toll-free telephone support in different aspects of operating the Franchised Business;

(i) If you request, we will provide advice to you (by telephone or electronic communication) regarding improving and developing your Franchised Business, and resolving operating problems you encounter, to the extent we deem reasonable. If we provide onsite support in response to your request, we may charge a fee (currently, \$400 per day) and require you to reimburse our Travel Expenses we incur.

4.4 Confidential Operations Manual. In order to protect the reputation and goodwill associated with the System, the Marks, and other Maid Brigade franchises, you will conduct and operate the Franchised Business in accordance with the terms of this Agreement, our Confidential Operations Manual, our other Manuals, written directives we issue from time to time whether or not made a part of a particular Manual, and other materials we approve for use in operating the Franchised Business. The Manuals will contain mandatory specifications, standards, and operating procedures we prescribe from time to time for all Maid Brigade franchises and information related to your other obligations under this Agreement and to the operation of the Franchised Business. We will have the right to add to and otherwise modify any Manual from time to time to reflect changes in the System, including the Marks, authorized services, or the operation of the Franchised Business, or to issue written directives that will accomplish the same purpose. All such specifications, standards, and operating procedures will be reasonable and consistent herewith and with your obligations under applicable law. Specifications, standards, and operating procedures we prescribe from time to time in the Manuals or otherwise communicated to you in writing will constitute provisions of this Agreement as if fully set forth herein. Said changes will be made to the Manual via the Internet on the Maid Brigade Private Web site. If you choose to refer to printed copies of the Manuals, it will be your responsibility to print and keep the Manuals up-to-date with replacement pages and insertions as we instruct. You will hold the Manuals and any other written directives or materials of ours in trust and as our confidential and proprietary information, and you will use all reasonable efforts to protect such confidentiality. You will not at any time copy, duplicate, or reproduce any Manual or other directive (the "Items") and not distribute, disseminate, transfer, or otherwise make such Items available to any unauthorized person. You will return all printed copies of the Manuals, and all other Items, to us at the end of the Term or immediately on termination of the Franchise or this Agreement for any reason. All such Items, including the Manuals, will at all times remain our sole property and will at all times be kept and maintained in a secure place on the business premises. We may publish the Confidential Operations Manual and any other Item electronically on line, on disk, or on some other medium, and you will be bound by this Agreement as to such Items to the same extent as if such Items were a printed paper copy.

4.5 Group Purchasing. You will have the right to participate in group purchasing programs for all products, materials, equipment, insurance, and supplies that we may from time to time use, develop, sponsor, or provide, on the same basis as other Maid Brigade franchises and Company-owned businesses we operate.

4.6 Initial Inventory. You must purchase from us our a designated supplier, your initial package of materials (your "Initial Package"). The Initial Package will consist of a reasonable supply of approved printed materials, , business cards, Maid Brigade uniforms, the Manuals, and

cleaning supplies and equipment. The Initial Package includes your initial inventory of equipment and supplies; cleaning solutions; advertising and marketing materials like business cards and sales materials; Maid Brigade uniforms; and access to our Confidential Operations Manual and training manuals, which we publish on our private website. You pay the cost of the Initial Package, currently \$4,600, when you sign the Franchise Agreement. The fee for the Initial Package is not refundable under any circumstances. Please note, included within your Initial Package is an electrostatic charger, a fogger and initial equipment. Once your franchised business reaches a sales level of \$9,000 a week in revenue, you will be required to purchase a larger e-water generator to keep up with demand. The cost for this generator ranges from \$8,500 - \$12,500, but is subject to change, and you purchase that from a third party that we designate.

4.7 Maid Brigade Convention/leadership summit. You (or your Responsible Owner or General Manager) shall use reasonable efforts to attend all in-person meetings and remote meetings (such as telephone conference calls) that we require, including any local affiliate, national or regional brand conventions. If we hold an annual franchisee conference, you (or your Responsible Owner or General Manager) must attend and pay a reasonable per person registration fee (currently \$180 per attendee, not to exceed \$2,000 per person per conference) which is non-refundable and due and payable regardless of whether you (or your Responsible Owner or General Manager) attend. You will also be responsible for all travel costs in attending.

## **5. OPERATING STANDARDS AND SERVICES**

5.1 Services. You will offer the public a complete, professional residential and light commercial cleaning service that will include all services, and only those services, we authorize and modify from time to time. You may not offer or sell any other product or service through the Franchised Business without our prior written consent. You must use the proprietary and non-proprietary techniques, materials, and supplies we designate in the Manual. You must provide all services in accordance with the standards and specifications set forth in the Manual, subject to applicable law.

5.2 Supplies and Materials. You must at all times maintain sufficient staff, materials and supplies to meet reasonably anticipated client demand. You will use only equipment, supplies, materials, uniforms, and forms we specify or approve as meeting our standards and specifications. If you propose to use any item or supplier that we have not specified or approved, you will notify us and will submit to us, on our request, sufficient specifications, photographs, and other information or samples for examination and testing to permit us to determine whether such item or supplier meets our standards and specifications, which determination we will make reasonably and in good faith and communicate to you within a reasonable time after such

determination. You must pay us our actual costs in evaluating your request to use a unapproved item.

5.3 Use of Materials Imprinted with Names and Marks. You agree that the proper display of the Marks is important to the public recognition of the System and, as a result, to the growth of the Franchised Business and the franchised businesses of our other franchises. As a result, you agree that you will use, whenever reasonably practicable, only bags, cleaners, mops, brooms, brushes, wrappers, containers, uniforms, packaging, sales slips, receipts, notices, and other forms and materials imprinted with the Marks.

5.4 Standards of Service. You and your employees will at all times give prompt, courteous, and efficient service to customers of the Franchised Business. In all dealings with customers, suppliers, and the public, you and your employees will adhere to the highest standards of honesty, integrity, fair dealing, and ethical conduct. All your advertising and promotion of the Franchised Business and its services will be in strict compliance with the standards we establish, will be completely factual, and will conform to the highest standards of ethical advertising. You agree to refrain from any business or advertising practice that may be injurious to the goodwill associated with other Maid Brigade franchises or the System, including the Marks. You agree that you will not deviate from the standards we set for the operation of the Franchised Business. You agree to perform “in-home confirmations” for all prospective customers as outlined in our Confidential Operations Manual. You will guarantee your services and will respond promptly to all inquiries and complaints in order to achieve customer satisfaction and, if necessary, will reclean the customer’s home or office or provide a partial or complete refund to the customer. If in our Reasonable Business Judgment it is necessary to take action to resolve a customer complaint, we may enter on the customer’s premises to inspect or correct your work or offer a reasonable settlement, and you will pay our cost of doing so promptly on our request. If a customer refuses to do business with your Maid Brigade office because of poor customer service and in our Reasonable Business Judgment there is another Maid Brigade office that can meet the needs of this customer, you agree to allow another Maid Brigade office, of our choosing, to continue to service and receive payment from this customer in the “exclusive” Operating Territory. You acknowledge that it may be necessary or desirable to change or modify the System and the methods and procedures you use to conduct the Franchised Business, and on notice from us, you will promptly implement such changes and modifications at your cost. You agree to comply with all of our specifications, standards, and operating procedures related to the operation of the Franchised Business; including, without limitation, specifications, standards, and operating procedures related to:

- (a) The selling process and methods including in-home Engagements;

(b) The delivery of approved house and office cleaning services;

(c) The safety, maintenance, cleanliness, function, and appearance of your vehicles, equipment, accessories, and signs;

(d) The uniforms or clothes to be worn by, and general appearance of, you and your employees;

(e) The use of the Marks;

(f) The hours that you will conduct the Franchised Business, subject to local laws and market conditions;

(g) Your use of signs, posters, displays, brochures, flyers, forms, and similar items;  
and

(h) Your identification of yourself as the owner of the Franchised Business and a licensed user of the Marks.

You further agree, as additional customer service programs, to:

(i) Contact each of the customers either by telephone or in person at least three (3) times per twelve (12) month period for the purpose of surveying such customers as to their satisfaction with your services, the Maid Brigade System generally, recommended areas for improvement or service enhancement, and such other topics as we may require.

5.5 Pricing. We may from time to time offer you advice or guidance concerning suggested prices you may wish to charge that we reasonably believe would constitute a good business practice for you. You will not be obligated to accept any such advice or guidance and will have the sole right to determine the prices you charge. No such advice or guidance will be deemed or construed to impose on you any obligation to charge any fixed, minimum, or maximum price for any product or service. Such advice or guidance concerning suggested prices may be contained in the order forms or packing slips that accompany products you purchase from us or in instructional material, the Confidential Operations Manual, or advertisements we prepare or arrange.

5.6 Management/Conflicting and Competing Interests. You will directly manage the Franchised Business at all times, except for minor, temporary absences and reasonable vacations, in which case fully-trained management personnel will directly manage the Franchised Business at all times. You agree that you will at all times faithfully and diligently perform your obligations

hereunder, that you will continuously devote your full-time attention, energy, and best efforts to promote and enhance the Franchised Business, and you will not engage in any business or other activity that will conflict with your obligations hereunder. You acknowledge that the operation of the Franchised Business is a full-time occupation and, therefore, you agree that you will not, during the Term of this Agreement, without our written approval, have any interest as an owner (except of publicly traded securities), lender, director, officer, employee, consultant, representative, or agent, or in any other capacity, in any other business that is similar to the Franchised Business. Without limiting the foregoing, you agree that during the term of the Franchise Agreement, you will not provide consulting services to any residential cleaning business regardless of location.

5.7 Vehicles for All Business Transportation. You will supply motor vehicles to your employees for use related to the Franchised Business, such vehicles will be clean, relatively new motor vehicles, of a type and color, and bearing the company automobile wrap signs, we specify in the Confidential Operations Manual. Your Maid Brigade vehicles should have a professional appearance at all times. Your vehicles are not only a mode of transportation but a form of advertising for your business. Vehicles should be washed regularly and body damage should be repaired in a timely manner. You may enter into a lease agreement whereby you lease your vehicles from an approved vendor. We require that you utilize our car “wraps”, which display our logo and other information, as we may specify from time to time. Our vendors may install the wrap on the vehicles and include the cost in the purchase or lease price.

5.8 Computer Requirements. You will be required to maintain your computer systems, at your sole expense, to meet our minimum computer specifications, which we have the right to modify at any time. We have the right to require you to update or upgrade computer hardware components, Software, and/or cloud-based subscriptions as we deem necessary from time to time, with no limitations as to the number or cost of such updates or upgrades. You must take all steps, including but not limited to those related to visibility and management of your Business network, that are necessary to ensure that your Business is compliant with all data privacy and security laws and Payment Card Industry Data Security Standards (PCI DSS) requirements, as such standards may be revised and modified by the PCI Security Standards Council (see [pcisecuritystandards.org](http://pcisecuritystandards.org)), or such successor organization or standards that we may reasonably specify. You agree to use any computer network, intranet system, extranet system, email, and handheld devices required or authorized for use in connection with the Business in strict compliance with our standards, protocols, and restrictions that we include in the Operations Manual or in our other written policies, which include but are not limited to our privacy policies, encryption requirements, data and IT security policies - including the implementation of phishing and other security awareness programs and training, cyber incident notification requirements,

and Artificial Intelligence policies. You further agree not to violate our privacy policies or user terms on our Website.

5.9 Compliance with laws/Credit Cards. You agree to comply with all laws applicable to the operation of the franchised business, including, without limitation, all wage and hour laws, labor department, workers compensation and unemployment laws and rules. You also agree to comply with all applicable laws pertaining to the privacy of the customer, employee, and transactional information (“Privacy Laws”) and other applicable data protection laws that are applicable to the franchise system as a whole. In addition, with respect to all credit card transactions and the customer information obtained through credit card usage, you agree to diligently comply with all statutes and rules regarding such usage and you will protect the privacy of the credit card customers. You agree that your obligations to indemnify us under Section 17.2 below includes any claims arising out of your failure to perform your obligations set out in this Section 5.8.

5.10 Data Security. You shall use your best efforts to protect your clients against any and all data breaches and cyber-events, including, without limitation, identity theft or theft of personal information (a “Data Security Breach”). If a Data Security Breach occurs, in the interest of protecting the goodwill associated with the Maid Brigade brand and franchise system, we hereby reserve the right to (but does not undertake the obligation to) directly or through its designee, perform or control any and all aspects of the response to such Data Security Breach, including, without limitation, the investigation, containment and resolution of the event and all communications with the franchise system, vendors and suppliers, clients, law enforcement agencies, regulatory authorities and the general public. You hereby acknowledge and agree that neither we, nor any of our parents, affiliates, subsidiaries, owners, officers, directors or employees shall be liable to You for any damages arising out of or resulting from any Data Security Breach or any action or inaction in response to a Data Security Breach. You shall at all times be compliant with all Payment Card Industry Data Security Standards, any and all requirements imposed by all applicable payment processors and payment networks, including credit card and debit card processors, and any and all state and federal laws, rules and regulations relating to data privacy, data security and security breaches. You hereby acknowledge and agree that if we engage or designate a third-party service provider to administer a data security program, You will be required to comply with the requirements of such service provider. It is your responsibility to ensure that You operate the Franchised Business at all times in compliance with all applicable laws, rules, regulations and requirements and You are strongly encouraged to engage legal and data security professionals to ensure your full compliance and adequate protection.

5.11 Approved Suppliers

(a) We have the absolute right to limit the suppliers with whom You may deal. We require You to purchase certain items, products, services, signs, furnishings, supplies, fixtures and equipment from us, or distributors we have approved. You must purchase all goods, items, products and services required for the development and operation of the Franchised Business from our approved or designated suppliers. We have the right to designate one supplier for any given item or service. We will provide You with a list of suppliers, which list may change over time. While the suppliers included on this list are currently mandated, approved and/or recommended, we reserve the right to change this list from time to time. Notifications of changes to the approved suppliers list will be communicated to You through changes to the Manual or other written communications, including via electronic mail. We may revoke approval of suppliers at any time upon written notice.

(b) We may become an approved supplier, and/or the only supplier, for any item, product, good and/or service at any time. We reserve the right to own an interest in any entity that will act as an approved supplier for any or all products and services You will use in the Franchised Business.

5.12 Right to Derive Income. We and/or our affiliates, may derive income, consideration, payments and other benefits on account of your purchase or lease of any products, services, supplies and/or other items from us or any supplier, including approved suppliers, and/or designated suppliers. This income may be derived in any form, including as a rebate from various suppliers based on the quantity of franchisee purchases. We may use these benefits for any purpose we deem appropriate. We are not obligated to remit any benefits to You and reserve the right to retain all such benefits.

5.13 Alternate Vendor Approval. If we require you to purchase a particular product or service only from an approved or required supplier, and you desire to purchase the product or service from another supplier, then you must submit a written request for approval and any information, specifications and/or samples requested by us. We may condition our approval on such criteria as we deem appropriate, which may include evaluations of the supplier's capacity, quality, financial stability, reputation, and reliability; inspections; product testing, and performance reviews. We will provide you with written notification of the approval or disapproval of any proposed new vendor within 30 days after receipt of your request.

## **6. INSURANCE AND EMPLOYEE BOND**

6.1 Insurance. You will procure, and maintain in full force and effect throughout the Term, the following insurance:

(a) Insurance on the generally accepted “all risk” form insuring all personal property, leasehold improvements, and assets of every description and kind you use in the Franchised Business, for the full insurable value thereof;

(b) Commercial general liability insurance with a limit of not less than \$500,000 per occurrence (combined single limit for bodily injury and property damage) for premises/operations, products/completed operations, and contractual liability, and deletion of the standard “care, custody and control” exclusion, with respect to the activities you and any employee or other person performing work on your behalf conducts;

(c) Automobile liability insurance with limits of not less than \$500,000 per accident for all owned, hired, and non-owned vehicles you, your employees, or any other person performing work on your behalf operate; and

(d) Workers’ compensation insurance as required by state law, and employers’ liability insurance with limits of not less than \$100,000 per person.

All such insurance policies will be written by responsible insurers licensed to conduct business in the Operating Territory, will name us as an additional insured, and will provide that we receive thirty (30) days’ written notice prior to termination, expiration, or cancellation. At least ten (10) days before you begin operation of the Franchised Business, and annually thereafter, you will submit to us a copy or certificate or other acceptable proof of such insurance. During the Term, we may increase the minimum insurance limits from time to time and require different or additional kinds of insurance to reflect changes in insurance standards, normal business practices, court awards, and other relevant circumstances. If you at any time fail or refuse to maintain in effect any insurance coverage required by this Agreement, we may, at our option and in addition to our other rights and remedies under this Agreement, obtain such insurance coverage on your behalf, and you will promptly execute any applications or other forms or instruments required to obtain any such insurance and, on demand, reimburse us for any and all costs or expenses we incur and premiums we pay related to such insurance.

6.2 Employee Bond. You will procure and maintain in full force and effect throughout the Term, a blanket fidelity bond satisfactory to us in the amount of Ten Thousand Dollars (\$10,000) on each of your employees and will send us a copy of such bond. This bond must provide that we be given thirty (30) days’ written notice prior to termination, cancellation, or expiration.

## **7. PROPRIETARY INFORMATION**

7.1 Trade Secrets. You acknowledge that your knowledge of the operation of the Franchised Business and the particulars of the System is derived solely from information we disclose to you pursuant to this Agreement, the Maid Brigade training programs, the Manuals, and otherwise in connection with your use of the System and Software (the “Confidential Information”). You acknowledge and agree that the Confidential Information is a valuable asset of ours, is proprietary, includes trade secrets, and is disclosed to you solely to benefit the Franchised Business. You agree that you will not use the Confidential Information in connection with any other business and to maintain its secrecy and confidentiality during the Term and thereafter. In addition, you agree not to copy, reproduce, disseminate, or otherwise disclose the Confidential Information except with our written consent, or to your employees to the extent necessary for them to operate the Franchised Business, and will take all necessary action to prevent the unauthorized use of, or access to, the Confidential Information. Finally, you agree that you acquire no interest in the Confidential Information other than the right to use it in the operation of the Franchised Business.

7.2 Customer Names. You agree that any and all data collected from former, existing, and/or potential customers including customer names and addresses, discounts and credit extensions to customers, customer contracts, designs, and status information and any other customer lists, and their contents (collectively, “Customer Information”), are our trade secrets and confidential information, whether supplied by us or not. You will not disclose Customer Information and our other proprietary information, trade secrets, and Confidential Information to third parties, including entering such information into public/open Artificial Intelligence models or any other AI model that uses such information to train the Artificial Intelligence unless specifically authorized by us in writing, and you agree to strictly adhere to our privacy policies we may now, or in the future, establish with respect to Customer Information. You agree that you will not use Customer Information for any purpose other than in relation to the Franchised Business. You will, on demand, promptly deliver to us a complete list of customers including all information we may request related to such customers. You acknowledge that you may be required to provide the list via electronic transfer or computer disk. You must comply with all data privacy, security and other applicable laws. Without limiting the foregoing, you agree to comply with applicable law in connection with your collection, storage, disclosures and your use and our use of such customer information, including, complying with all laws and regulations relating to data protection, privacy and security, including data breach response requirements (“Privacy Laws”), as well as data privacy and security policies, procedures and other requirements we may periodically establish. Some laws require you to obtain consent to collect, store, disclose, and use (collectively “process”) personal information. You are responsible for obtaining appropriate

Customer consent, as well as all necessary rights in the Customer Information, to ensure you and we may process Customer Information as needed.

## **8. FEES**

8.1 Initial Franchise Fee. You will pay us, in full, on the delivery of this Agreement, a non-recurring initial franchise fee (the “Initial Franchise Fee”). The amount of the Initial Franchise is Forty-Nine Thousand Nine Hundred dollars (\$49,900). The Initial Franchise Fee is fully-earned when you pay it and is non-refundable.

8.2 Initial Package. You will purchase from us and pay us in full for, on the delivery of this Agreement, the Initial Package described in Section 4.7 of this Agreement. The cost of the Initial Package is \$4,600. The fee for the Initial Package is fully-earned when you pay it and is non-refundable.

8.3 Technology Fee. You shall pay to us or our designated supplier a monthly Technology Fee for the use of any technology, software, or related services that we provide to you. The amount of the Technology Fee is currently \$18 per week and covers the costs associated with our website and franchise forum. We and/or our affiliates may develop proprietary software, technology or other components of our designated technology systems that will become part of the System. If this occurs, You agree to: (i) pay us (or our affiliate) commercially reasonable licensing, support and maintenance fees; and (ii) upon request, enter into a license agreement with us (or our affiliate), in a form we prescribe, governing Your use of the proprietary software, technology or other component of the technology systems. We may enter into master agreements with third-party suppliers relating to any components of the technology systems and charge you for all amounts we pays to these suppliers based on your use of their software, technology, equipment, or services. The amount of the Technology Fee may change based on changes to the technology systems, services provided, or prices charged by third-party suppliers with whom we enter into master agreements.

## **9. ROYALTY**

9.1 Amount, calculation and payment of Royalty. You will pay us weekly, a fee (the “Royalty and Service Fee”) equal to the greater of: (i) a percentage of the weekly Gross Revenue; or (ii) the weekly minimum fee specified below (the “Weekly Minimum Fee”). The calculation to determine the amount of the weekly Royalty and Service Fee, is based on the cumulative total of each range of weekly revenue and corresponding percentage.

<b>For the Part of the Annualized Amount of The Weekly Gross Revenue That Is:</b>	<b>The Royalty and Service Fee Percentage for the Week Is:</b>
From \$0 to \$5,769	6.9%
Plus from \$5,770 to \$13,462	6.0%
Plus from \$13,463 to \$17,308	5.0%
Plus from \$17,309 to \$28,846	4.5%
Plus, from \$28,847 to \$38,462	4%
Plus, from \$38,463 to \$999,999	3.5%

For example, If Gross Revenue for a particular week is \$13,462, Royalty would be calculated as follows:

\$5,769 times 6.9% = \$398.06 (\$ 5769 minus \$0 = \$5769)

\$7,693 times 6.0% = \$461.58 ( \$13,462 minus \$5,770 = \$7693)

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\$13,462                      \$859.64

You agree that on each anniversary of the execution of this Agreement, we may adjust the Gross Revenue figures set forth in the table, in our Reasonable Business Judgment, based on the increase, if any, in the "Metropolitan Area Consumer Price Index for All Urban Consumers — All Items," published by the United States Department of Labor, Bureau of Labor Statistics or successor index, in each case measured as of the first day of the month preceding the anniversary date of this Agreement as compared to the first day of the month preceding the date of this Agreement or the first day of the month preceding the previous anniversary date of this Agreement, as the case may be.

The Weekly Minimum Royalty will be based on size of the territory you purchase and the number of weeks after your Blastoff week, as follows:

Weeks	Weekly Minimum Royalty Up to 30,000 Qualified Households	Weekly Minimum Royalty 30,000 or More Qualified Households
Weeks 1-52	No Minimum	No Minimum
Weeks 53-104	\$200	\$400
Weeks 105-208	\$275	\$550
Weeks 209 and after	\$350	\$750

Royalty is remitted by Thursday of each week throughout the Term, based on Gross Revenue for the preceding week, hereby defined as the seven (7) day period commencing on the Monday morning thereof. If you are in default under your agreement, your royalty remains at 6.9%, regardless of the amount of your Gross Revenues

9.2 Definition of Gross Revenue. As used in this Agreement, the term “Gross Revenue” means the actual gross charges, whether or not actually collected, for all goods and services purchased by or provided to customers, whether for cash, credit, barter, or in kind, and whether in, upon, from, through or by any means, related to the Franchised Business. If you discount a customer site cleaning for any reason, either in part or in full, Gross Revenue includes your standard visit charge, not the discounted price. Gross Revenue will exclude the price of goods exchanged for goods, the sale of which has already been included in Gross Revenue, and the amount of any retail tax imposed by any federal, state, municipal, or other governmental authority directly on sales and collected from customers at the point of sale by you acting as agent for such authority.

9.3 Payment of Royalty and other Fees. Payment of your Royalty and Service Fee, and all other recurring fees and payments due from you to us under this Agreement shall be made to us by bank draft, electronic funds transfer or similar method, specified by us, on or before Thursday of each week, or such other date as we may specify, for Gross Revenue charged during the immediately preceding seven day period described above. We agree to provide you with reasonable operating procedures in order to facilitate use of such services.

You agree to execute and deliver to us appropriate pre-authorized draft forms for your operating account or credit card(s), so that we may withdraw money on a timely basis to collect royalty payments, Advertising Fees, Technology fees, and any other fees or charges accruing hereunder. You agree to make the funds available to us for withdrawal no later than the due date for payment. Failure to do so shall be considered non-payment and a breach of this Agreement under section 14.3(l) below. If you fail to report your Gross Revenues on a timely basis, we shall

have the right to collect, in addition to the late fee, an amount we deem to be a reasonable estimate of the payment then due to us. Any such estimates will be reconciled and adjusted as needed when we receive the actual, delinquent reports. You further agree that upon termination or expiration of this Agreement, if you owe us any money, we may draft your account for that sum. It is agreed that it will be a breach of this Agreement if you close the bank account used for the bank drafts, without establishing with us a satisfactory alternative. We shall have the right to debit your credit card(s) at any time that a bank draft fails, for whatever reason, and you agree at all times throughout the term hereof to maintain a credit card that we can freely access for that purpose.

9.4 Reimbursement of Taxes and Costs. Should any taxing authority impose any “franchise” or other tax that is based on the gross sales, gross revenues, business activities, or operation of the Franchised Business, you will reimburse us in an amount equal to the amount of such taxes imposed on us and related costs and expenses paid by us. You will make such reimbursement within ten (10) days after written notice that we are entitled to reimbursement for payment of such taxes and other amounts as set forth in this Agreement.

## **10. ADVERTISING AND PROMOTION**

10.1 Advertising Fund. You will submit to us a weekly sum in the amount of two percent (2%) of the weekly Gross Revenue (the “Advertising Fee”) made payable to the Maid Brigade Advertising Fund (the “Fund”) for marketing, advertising, and public relations related to the System. The Advertising Fee will be payable by the Thursday of each week throughout the Term, based on Gross Revenue for the preceding week, hereby defined as the seven (7) day period commencing on the Monday morning thereof. We will develop and conduct national, regional, and local advertising and promotional programs in such form and type of media we determine in our Reasonable Business Judgment to be effective, economical, and beneficial to the general recognition of the Marks and the success of our franchisees. These marketing, advertising, and promotional programs will be paid for entirely by the Fund. You acknowledge and agree that the Fund is intended to maximize general public recognition and acceptance of the Maid Brigade System and that we are not obligated to ensure that any particular Maid Brigade franchise or you benefit directly from expenditures of the Fund or proportionately to a particular Maid Brigade franchise or your contributions to the Fund. Company-owned Maid Brigade businesses we operate, if any, may, in our sole discretion, contribute to the Fund on the same basis as similarly-situated franchised businesses.

Amounts paid to the Fund will be spent on developing national, regional and local advertising materials, marketing programs and media placement as appropriate, including internet alliances, that will directly or indirectly cover the area of dominant influence where your office is located;

and on engaging in test marketing, social media, public relations, conducting surveys, covering administrative costs, marketing wages and ad agency fees, or enhancing advertising effectiveness; or for other purposes deemed beneficial to the general recognition of the Marks and the success of Maid Brigade franchises. All sums contributed to the Fund will be kept in an account separate from our revenue and will not be used except as permitted in this Agreement. The Fund will not be used to pay for advertisements principally directed at selling additional franchises, although consumer advertising may include notations such as “franchises available” and one or more pages on our website may promote the franchise opportunity. Copies of all advertising material developed by us and paid for from the Fund will be made available to you for the cost of reproduction and shipping. You acknowledge and agree that total contributions to the Fund need not be spent in the year in which such contributions are received, and that the Fund may retain a reasonable reserve at the end of each year. Expenditures in the following year will be made first out of such reserve, secondly out of earnings on contributions, and finally from new contributions. We may delegate our responsibilities contained in this Section 10.1 to one or more designees of our choosing. We or our designee under this Agreement will make available to you on request an annual statement of receipts and disbursements of the Advertising Fund. The Fund is not a trust. We have no fiduciary obligations or liability to you with respect to our administration of the Fund. We may suspend or terminate the Fund at any time, and any surplus funds may only be used for marketing and advertising purposes until fully expended.

#### 10.2 Local Advertising and Cooperatives.

(a) In addition to contributions you must make to the Fund, the following requirements must be met. You will spend a minimum of \$4,000 a month on local customer advertising and \$500 per month on employee advertising. You may be required to spend at least the minimum but may choose to spend more, at your option. You will be required to provide us with proof of the method and amount of your expenditures.

(b) We may, but need not, establish local or regional advertising cooperatives for purposes of pooling advertising funds to be used in discrete regions. We will determine the boundaries of the cooperative. In most instances, the boundaries will coincide with zip codes, designated marketing areas or municipal boundaries. We will specify the manner in which the cooperative is organized and governed. We may choose between: (a) administering the cooperative ourselves; or (b) establishing an advertising council, comprised by the cooperative’s members, to administer the cooperative. We may require that the cooperative be administered in accordance with written bylaws, organizational documents or other governing documents that we approve. If your Operating Territory is located within a region subject to an advertising cooperative you must: (a) participate in the cooperative according to its rules and procedures and

abide by its decisions; and (b) pay a cooperative advertising fee. We may set the minimum cooperative advertising fee or we may allow the cooperative to set the fee based on majority vote of its members. In either case, the cooperative advertising fee will not exceed the Local Advertising requirement unless 2/3 of the cooperative members vote in favor of a higher fee. All cooperative advertising fees you pay are credited against your Local Advertising requirement. Under currently policy, any company-owned business located in a cooperative would pay cooperative advertising fees on the same basis as other members. However, we reserve the right to change this policy in the future.

(c) Advertising cooperatives are not required to prepare annual or periodic financial statements, although we may change this policy. Any financial statements that are prepared will be made available to you upon request. We reserve the right to form, change, merge or terminate advertising cooperatives at any time.

(d) All local advertising will be completely factual and will comply with our guidelines. At our option, we may require you to submit all advertising material to us for our approval or disapproval at least two (2) weeks prior to publication. If disapproved, we will notify you in writing within two (2) weeks following the receipt of your material. You may not create a website for the Franchised Business. We provide, through our own consumer Web site, for each franchisee to have their own personalized Web pages. You acknowledge that our consumer Web site ([www.maidbrigade.com](http://www.maidbrigade.com)) is an advertising vehicle and that you are required to fully utilize all of its capabilities.

10.3 Franchisee's Name and Photograph. You hereby grant us the right, without compensation to you, to use your name, address, photograph, and biographical information in any publication related to the System, including in relation to the sale of other Maid Brigade franchises.

10.4 Telephone Number Phone Answering. You will maintain a telephone dedicated exclusively to the Franchised Business and this telephone must be answered live from 8:30 A.M. to 5:00 P.M. Monday through Friday.

## **11. RECORDS AND REPORTING**

11.1 Bookkeeping, Accounting and Records. You can employ a qualified bookkeeping service to maintain a bookkeeping, accounting, and payroll system for the Franchised Business. However, you are permitted to manage the accounting, bookkeeping and payroll on your own. You will keep all of your financial and business records at the business premises throughout the

Term, and thereafter will keep us advised of their location. If you choose to manage your own accounting, and bookkeeping, we recommend using QuickBooks Software.

11.2 Reports and Tax Returns. You will furnish to us, in a form we prescribe from time to time:

(a) A report of the Gross Revenue, as defined in Section 9.2 above, for the preceding week. The report must be transmitted via electronic mail (“e-mail”) so we receive it by the Thursday of each week. To facilitate the transmittal of these reports, you agree to comply with reasonable operating procedures we establish and to access the necessary e-mail program to communicate with us;

(b) An exact copy of all returns, schedules, and reports you file for federal and state income, corporate, or sales tax purposes, within thirty (30) days after you file such documents;

(c) A complete list of all customers, and their addresses and telephone numbers, who have canceled or terminated your service or sought refunds from you during the preceding month, by the tenth (10th) day of each month;

(d) A monthly profit and loss statement, and a profit and loss statement from the beginning of your current fiscal year to the end of the preceding month, verified and signed by you, within ten (10) days after the end of each month;

(e) An unaudited annual statement of profit and loss and the source and application of funds for the Franchised Business for that fiscal year, together with a balance sheet as of the end of the fiscal year prepared by a certified public accountant and verified as to the information you furnished to such accountant, within sixty (60) days after the end of each fiscal year; and

(f) Such other reports, sales slips, order forms, and records as we may from time to time require.

11.3 Audited Financial Statements. If we determine in our Reasonable Business Judgment that any report, financial statement, tax return, or financial schedule you furnish understates the Gross Revenue, distorts any other information, or is incomplete, unclear or misleading, we will have the right to require you to furnish audited financial statements for the fiscal year in question.

## **12. INSPECTIONS AND AUDITS**

12.1 Our Right to Inspect. To determine whether you are complying with this Agreement, we will have the right, at any time during normal business hours, and without prior notice to you, to enter onto the business premises or such other premises where you are then conducting the Franchised Business or where you maintain the records of the Franchised Business, and inspect the business records, which records will include, but will not be limited to, bookkeeping and accounting records, invoices, payroll records, ledgers, sales reports, timecards, check stubs, bank deposits, receipts, sales tax records and returns, inventory records, and other documents. We will further have the right to take or supervise a physical count of all inventory, materials, and supplies associated with the Franchised Business. You will cooperate fully with our representatives making, conducting, supervising, or observing any such inspection. On notice that your bookkeeping or record keeping system is inadequate or that any materials or supplies do not meet specifications, standards, or requirements, or that the inspection otherwise reveals that you are in violation of this Agreement, you will take all appropriate action immediately to correct such deficiency or violation.

12.2 Our Right to Audit. We will have the right at any time during normal business hours, and without prior notice to you, to audit or cause to be audited, your books, records, reports, financial statements, and tax returns that you are required to submit to us under this Agreement as well as those of any corporation to which you have assigned this Agreement. If we should determine that an audit is necessary after the expiration or termination of this Agreement, you will, on notice, deliver all required records and documents to us, failing which we may enter onto the premises where you are then keeping such records and documents and conduct such an audit. You will cooperate fully with our representatives and accountants conducting any such audit. In the event that any such audit should disclose an understatement of Gross Revenue for any period or periods, you will pay, within fifteen (15) days after receipt of the audit report, the amount of such understatement. Further, in the event such audit is made necessary by your failure to furnish books, records, reports, financial statements, tax returns, or schedules as herein required, or if an understatement of Gross Revenue for any period is determined by any such audit, you will reimburse us for the cost of such audit including, without limitation, the charges of any accountant and the transportation, food, lodging, salary, and benefit expenses of our employees or representatives who conducted the audit.

12.3 Information from Others. You hereby authorize us to make reasonable inquiries of your bank, suppliers, and trade creditors concerning the operation and business affairs of the Franchised Business, and hereby direct such persons and companies to provide to us with such information and copies of any such documents we may request.

### **13. OWNERSHIP OF MARKS**

13.1 Ownership of Names and Marks. You acknowledge that we are the owner of the Marks, that your right to use them is derived solely from this Agreement, and that such right is limited to the operation of the Franchised Business in accordance with this Agreement and all standards, specifications, and operating procedures we prescribe from time to time. You agree that your usage of the Marks and any goodwill established in the Marks will inure to our exclusive benefit and that this Agreement does not confer any goodwill or other interest in the Marks on you except the limited and non-exclusive right of use set forth in this Agreement. You further agree that after the termination or expiration of this Agreement, you will not, directly or indirectly, at any time or in any manner, identify any premises or any other business as a franchise of ours, or yourself as a franchisee of or otherwise associated with us; nor will you use in any manner or for any purpose any of the Marks or colorable imitations of them.

13.2 Limitations on Your Use of Marks. You will use “Maid Brigade” as the sole identification of the Franchised Business. All stationery and other written materials you use will conform to our standards and specifications but, in any event, such items will clearly indicate that you are a business independent from us and that you are solely a licensed user of the Marks. If local laws require that you file an affidavit or other registration disclosing that you are conducting business under an assumed or trade name, you will state in such filing or affidavit that you are using such name as our franchisee. You will not use any of the Marks as part of any corporate name or with any other prefix, suffix, or other modifying words, terms, designs or symbols (other than as required in this Agreement or with logos licensed to you under this Agreement), or in any modified form; nor will you use any Mark in connection with the sale of any unauthorized product or service or in any other manner we do not expressly authorize in writing. You will enter into contracts only in your name or the name of your corporation. On written notice from us, you will display the “®” or “™” symbols beside any or all of the Marks as we may require. If it becomes advisable at any time in our opinion for you to modify or discontinue use of any Mark, or to use one or more additional or substitute Marks, you must do so, and you will be responsible for your out-of-pocket costs of complying with this obligation.

13.3 Notification of Infringements and Claims. You will notify us immediately of any apparent infringement of, or challenge to, your use of any of the Marks, and of any claim by any person of any rights to any of the Marks. You will not communicate with any person other than us and our counsel in connection with any such infringement, challenge, or claim. We will have the right to take such action as we deem appropriate, and the exclusive right to control any litigation or administrative proceeding of a regulatory agency or court of law related to any infringement of, or challenge or claim to, any of the Marks, or in any way related to the Marks.

Any damages or other benefits related to any such infringement, challenge, claim or proceeding will accrue exclusively to us.

#### **14. TERMINATION OF FRANCHISE**

14.1 Automatic Termination. This Agreement shall automatically terminate without notice to you upon the occurrence of any of the following:

(a) You or any of your guarantors become insolvent, makes a general assignment for the benefit of creditors, or is adjudicated a bankrupt, unless otherwise restricted by the relevant bankruptcy laws;

(b) A petition in bankruptcy for liquidation, reorganization, or other proceeding is filed by or against You or any of your guarantors; or a receiver is appointed or a bill in equity or other proceeding for the appointment of a receiver of You or other custodian for your Franchised Business or assets is allowed; or the real or personal property of You are attached or levied upon by any sheriff, marshal, or constable.

14.2 Immediate Termination upon Notice of Default. This Agreement will terminate at the expiration of the Term unless renewed in accordance with Section 1 hereof. We may terminate this Agreement with notice, without any refund of the Initial Franchise Fee or any other fees paid under this Agreement, and without giving you an opportunity to cure, if you or any corporation to which you have assigned this Agreement:

(a) If You or any of your guarantors have made any material misrepresentations in connection with the acquisition of the Franchised Business or to induce us to enter into this Agreement;

(b) If You fail to begin operation of the Franchised Business within the time limits as provided in this Agreement or if You fail to operate Your Franchised Business in accordance with this Agreement and the Manual;

(c) Make a Transfer, as defined in Sections 16.2 and 16.3 below, of the Franchise or Franchised Business without first complying with the relevant provisions of this Agreement;

(d) Make any unauthorized use of the Marks, make an unauthorized copy or disclosure of the Confidential Information, make an unauthorized copy or disclosure of the Confidential Operations Manual or the Software, or seek to challenge our ownership rights in the System, including the Marks and the Software;

(e) Abandon or surrender or transfer control of the operation of the Franchised Business or fail to actively conduct the Franchised Business as required in this Agreement and such condition continues for two (2) days after notice of such default is given; provided, however, we will not terminate this Agreement solely as a result of abandonment of the operation of the Franchised Business due to your death without first giving ten (10) days' prior written notice to your trustee, executor, administrator, or next of kin as shown in our files;

(f) Submit on two (2) or more occasions at any time during any calendar year, a report, financial statement, tax return, schedule, or other information, or any supporting record, that understates the Gross Revenue for any period by more than two percent (2%), unless you demonstrate that such understatement resulted from inadvertent error;

(g) Fail or refuse to submit any report, financial statement, tax return, schedule, or other information or supporting record required under this Agreement, or submit such report or record more than five (5) days late on two (2) or more occasions during the Term;

(h) Operate the Franchised Business in a manner that presents a health or safety hazard to the customers, employees, or the public, and such manner of operation continues uncorrected for two (2) days after notice to correct such hazard;

(i) Fail to make any payment when due under this Agreement or any other agreement between You and us, our affiliate within five (5) days after written notice is given to you.

(j) Fail or refuse to pay any amount you owe us or any affiliated company for any debt whatsoever within ten (10) days after a demand for payment, or fail to honor on two (2) or more occasions during the Term checks presented to us or any affiliated company for payment, or repeatedly and consistently pay any amount due under this Agreement after its due date;

(k) Offer for sale or sell any unauthorized product or service for more than three (3) days after notice to cease such offers or sales;

(l) Fail to comply with any other provision of this Agreement or any other specification, standard, or operating procedure we prescribe and do not correct such failure within thirty (30) days after written notice of such failure to comply is delivered to you;

(m) Violate any law, ordinance, rule, or regulation applicable to the Franchised Business or involving moral turpitude, and do not correct such violation promptly after notification thereof from any source, unless there is a *bona fide* dispute as to the violation or

status of such law, ordinance, rule, or regulation, and you promptly resort to courts of appropriate jurisdiction to contest such violation or status;

(n) Receive two (2) or more notices of default under this Agreement during any twelve (12) consecutive month period regardless of whether or not you cure such defaults and whether or not they relate to the same default;

(o) Appear in our Reasonable Business Judgment applying generally accepted accounting principles to be in danger of becoming an insolvent person or entity unless within twenty (20) days after notice of default under this subparagraph you demonstrate to our satisfaction that you are, in fact, in no danger whatsoever of becoming insolvent and that you are financially able to fulfill all of your obligations to the customers, us, and all other creditors;

(p) Die or become permanently incapacitated, as described in Section 16.5 below, and the Franchise and Franchised Business have not been assigned to a person acceptable to us within sixty (60) days after such death or incapacity; or

(q) Fail to satisfy the complaints of seven (7) or more of the customers received in any twelve (12) consecutive month period.

(r) Fail to make timely payments to any of the vendors we have designated to you and do not bring those payments current within ten (10) days of receipt of notice from us.

(s) Fail to meet the sales requirement or minimum royalties after your second full year in operation for five (5) or more months during any consecutive 24-month period.

## **15. YOUR RIGHTS AND OBLIGATIONS ON TERMINATION OR EXPIRATION**

15.1 Payment of Amounts Owed. You agree that within five (5) days after the effective date of termination or expiration of this Agreement, you will pay all amounts you owe to us and any affiliate of ours, and you will pay your trade and other creditors that are then unpaid. All periodic payments will be deemed to accrue daily and will be adjusted accordingly.

15.2 Return of Manuals and Retention of Records. You agree that within five (5) days after the effective date of termination or expiration of this Agreement, you will return to us all copies of all Confidential Information previously received from us; including, without limitation, all Manuals, the Software, and a complete list of past and present customers, including their addresses and telephone numbers. You will promptly and professionally correspond with all current customers and return all customer property including keys. You will retain all business records described above in Section 12 of this Agreement (including ledgers, sales reports,

accounts, and checks) for at least six (6) years after the effective date of termination or expiration and will keep us advised of the location of such records. You will permit us to inspect such records at any time during normal business hours.

15.3 Transfer of Telephone Numbers and Directory Listings. You agree that immediately on termination or expiration of this Agreement, you will take such action as is required pursuant to that certain Telephone Listing Agreement attached to this Agreement as Schedule D.

15.4 Cancellation of Names. You agree that within five (5) days after the effective date of termination or expiration of this Agreement, you will cancel any trade names or d/b/a names using our name or any of the Marks.

15.5 Covenant Not to Compete. You may not, for a continuous uninterrupted period commencing upon the expiration, transfer or termination of this Agreement (regardless of the cause for termination) and continuing for two (2) years thereafter, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person, persons (including your spouse or any immediate family member, or the spouse or any immediate family member of any personal guarantor of this Agreement), partnership, limited liability company or corporation (the "Related Parties"):

(a) Own, maintain, operate, engage in, provide any assistance to, or have any interest in, any Competitive Business that is (a) located at the Approved Office Location; (b) located or providing services within the Operating Territory; or (c) located at or providing services within any other Maid Brigade's franchisee's approved territory; or

(b) Provide any services that a Competitive Business offers to any client of ours or any client of the Franchised Business, regardless of where the client is located.

(c) The term "Competitive Business" shall mean any business which offers or sells, in whole or in part, house cleaning or janitorial service services or similar to any product or service then-offered by our franchisees or otherwise competes directly or indirectly with our System.

(d) You agree to obtain the individual written agreement of each of Your Related Parties to the provisions of this Section in the form of a Nondisclosure and Noncompetition Agreement, attached as Schedule F to this Agreement as a condition of employment. You shall provide a copy of each such Agreement to us immediately upon demand.

(e) You agree that the time periods in this will be tolled for any period during which You or any of the Related Parties are in breach of the covenants and any other period during which we seek to enforce this Agreement. The parties agree that the foregoing covenants shall

be construed as independent of any other covenant or provision of this Agreement. If any court of competent jurisdiction determines that the geographic limits, time period or line of business defined by this Section is unreasonable, the parties agree that such a court of competent jurisdiction may determine an appropriate limitation to accomplish the intent and purpose of this Section and the parties, and each of them, agree to be bound by such determination.

15.6 Our Right to Purchase. In the event this Agreement is terminated for any reason or is not renewed, we will have the right, but not the obligation, exercisable by written notice delivered to you at any time after delivery of a notice of default under this Agreement or within thirty (30) days after the date of termination or expiration, to purchase all or part of your physical assets used in the Franchised Business except your personal assets. There will be no compensation for goodwill, and the purchase price for such assets will be equal to their fair market value less such goodwill. If you and we cannot agree on the purchase price for the assets that we desire to purchase within ten (10) days following our exercise of our option to buy, an independent appraiser you and we agree on will determine the fair market value, and you and we will share equally the cost of the appraiser. Such appraiser's decision will be final and binding with no appeal therefrom. The closing of the purchase will take place at a location, and on a date, we choose in our Reasonable Business Judgment, and will be completed in accordance with all applicable bulk sales legislation. At closing, you will deliver to us a bill of sale for the assets, in a form acceptable to us. We will be entitled to set off against the purchase price any amounts you then owe us or any affiliate of ours, and to pay out of the purchase price any of your unpaid creditors. In addition, and whether or not we purchase your business assets, we have the right, upon termination or non-renewal, to assume your lease for your business premises and take over possession of such premises.

15.7 Continuing Obligations. All obligations of the parties hereto that expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect notwithstanding such expiration or termination. In particular, but without limiting the generality of the foregoing, the provisions of Sections 7, 13, 15, and 17 hereof will survive termination or expiration of this Agreement.

15.8 Signs and Appearance of The Business Premises. After the termination or expiration of the Franchise, you agree that you will immediately make such removals of or changes in signs and colors as we reasonably request so as to distinguish the Franchised Business, its premises, and its vehicles from those of any other Maid Brigade franchise. If you fail to make such changes immediately, then we may enter on such premises or take temporary possession of such vehicles and make such changes at our expense without such action constituting a trespass.

15.9 Transfer or Termination of Domain Names and Websites. On termination or expiration of this Franchise Agreement, we will terminate your access and right to use all domain names, websites and search engines for the Franchised Business and to authorize the above and such other search engines to transfer to us or our designee all domain names, websites, and search engines associated with the Franchised Business. You acknowledge and agree that we have the absolute right to, and interest in, all domain names, websites, and search engines related to the Franchised Business and that we have the full right and authority to direct the above and all search engines to transfer your domain names, websites, and search engines to us or our designee if this Franchise Agreement expires or is terminated for any reason. You further acknowledge that this Agreement will constitute a release by you of the above and all other search engines from any and all claims, liabilities, actions, and damages that you may, at any time, have the right to allege against them in connection with this Section 15.9.

## **16. ASSIGNMENT, TRANSFER, AND ENCUMBRANCE**

16.1 By Us. This Agreement is fully assignable by us in whole or in part, and will inure to the benefit of and be binding on any assignee or other legal successor to our interest in this Agreement; provided, however, we will not assign this Agreement to any party unless we, in our Reasonable Business Judgment, determine that such party is able to perform all our obligations set forth in this Agreement.

16.2 By You. You will not assign, pledge, or encumber this Agreement, the Franchise, or the Franchised Business. This Agreement and the Franchise are personal to you and, except as provided in Section 16.3 below, neither this Agreement nor any part of the ownership in the Franchise or the Franchised Business may be voluntarily or involuntarily, directly or indirectly, assigned, subdivided, subfranchised, or otherwise transferred by you (including, without limitation, any such attempted transfer by your personal representatives in the event of your death, or by will, declaration of trust, or the laws of intestate succession) without our prior written approval, which approval we will not unreasonably withhold or delay. If we grant such approval, it will be conditioned on the following:

(a) You paying us all amounts due and unpaid plus a transfer fee in the amount of 50% of then-current initial franchise fee (reduced to 20% if buyer is an existing franchisee);

(b) The transferee executing our then-current form of franchise agreement and which may contain financial terms different from those contained in this Agreement. The transferee will also execute such other documents as we then customarily use to grant Maid Brigade franchises;

(c) You executing a general release, in form we prepare, of any and all claims against us and our affiliates, directors, officers, shareholders, employees, and agents, and the successors and assigns of us and any of them;

(d) You executing a noncompetition agreement that is consistent with Section 15.5 above, and which will provide that: (i) you will not for a period of two (2) years after the transfer have any interest, directly or indirectly, in any house cleaning or janitorial service business in the Operating Territory; and (ii) you will not influence or attempt to influence any former or existing customers to divert their business from us or another Maid Brigade franchise;

(e) The transferee purchasing all of your assets used in the Franchised Business and assuming all of your liabilities associated with the Franchised Business;

(f) The transferee being an individual having adequate financial resources who will have completed our then-standard Maid Brigade Initial Training for franchisees, and who we determine in our Reasonable Business Judgment is otherwise capable of operating a Maid Brigade franchise; and

(g) Compliance by you and the transferee with such other requirements as we deem appropriate in our Reasonable Business Judgment.

16.3 Assignment to Corporation. A franchisee who is an individual may assign this Agreement without charge, once only, to a newly-formed corporation that will conduct no business other than the Franchised Business, which you actively manage, and in which you own and control all of the equity and voting power. Such assignment must occur within six months of signing this Agreement and will not relieve you of your personal obligations to us under this Agreement. To effectuate this assignment, you and your corporation will execute our then-current form of Corporate Assignment Agreement. Otherwise, a transfer fee of \$1,500 will be due and payable for all transfers.

16.4 Transfer Among Franchisees. In the event that you comprise two or more individuals, we will not unreasonably withhold our consent to a sale, assignment, or transfer of any kind (a "Transfer") of the interest of one of you under this Agreement (the "Transferor") to the other or others (whether one or more, the "Transferee"); provided, however:

(a) The Transferor must transfer all of his or her interest in this Agreement;

(b) The Transfer will not relieve the Transferor of his or her obligations under this Agreement to us;

(c) You pay us a transfer fee of \$1,500;

(d) The Transfer will be completed in accordance with all applicable bulk sales legislation;

(e) The Transferor will give us at least thirty (30) days' prior written notice of the proposed Transfer together with all details of the Transfer that we request; and,

(f) The Transferee is capable, in our Reasonable Business Judgment, of operating the Franchised Business without the Transferor.

16.5 Your Death or Incapacity. On your death or permanent incapacity, you or your estate may assign this Agreement and the Franchised Business to your spouse, or to any one or more of your adult children, on the same terms and conditions as you are permitted to assign this Agreement to a third party transferee pursuant to Section 16.2 above, but without the necessity of paying a transfer fee. For the purposes of this Agreement, "death or permanent incapacity" will be deemed to have occurred if, due to mental or physical infirmity, you fail to participate actively in the Franchised Business for a total of ninety (90) days at any time or times throughout any 365-consecutive-day period.

16.6 Our Right of First Refusal. If you determine at any time to sell the Franchised Business or an ownership interest in the Franchised Business, you will obtain a *bona fide* executed written offer to purchase the Franchised Business and all assets you use in the Franchised Business from a responsible and fully-disclosed purchaser, and will submit an exact copy of such offer to us. We will, for a period of ten (10) days from the date we receive such documented offer, have the right, but not the obligation, exercisable by written notice to you, to purchase all of the Franchised Business and its assets for the price (minus any sales commission that would have been payable as a result of the proposed sale) and on the terms and conditions contained in such offer; provided, however, we may substitute cash for any other form of consideration proposed in such offer. We may deduct from the purchase price any unpaid debts you owe us and may pay out of the purchase price any of your unpaid trade creditors. If we do not exercise our right of first refusal, you may complete the sale of the Franchised Business to such purchaser on the same terms as offered to us, subject to the provisions of Section 16.2 of this Agreement. If the sale to such purchaser is not completed within sixty (60) days after delivery of such offer to us, or if the purchaser makes any proposed material modifications to the offer, we will again have the right of first refusal set forth in this Section 16.5.

16.7 Our Temporary Operation of Business. In the event that you:

(a) Fail to conduct the Franchised Business during the hours of business we specify;

(b) Abandon the Franchised Business; or

(c) Die or become permanently incapacitated (as described in Section 16.5 above), and you or your estate, as the case may be, fail to assign this Agreement by means of an assignment (with our approval) pursuant to Sections 16.2 or 16.5 of this Agreement;

then unless and until we terminate this Agreement pursuant to Section 14 hereof, we may enter the Operating Territory and operate and manage Franchised Business for your or your estate's account until this Agreement is terminated or assigned to a party acceptable to us, or until you resume control over the Franchised Business and operate it in accordance with this Agreement; provided, however, no such operation and management by us will continue for more than ninety (90) days without your written consent or the written consent of the representative of your estate. In the event that we so operate the Franchised Business, we will account to you or your estate for all net income from such operation, less the reasonable expenses we incurred in, and a reasonable management fee of 10% of revenue earned during the period, our operation of the Franchised Business.

## **17. INDEMNIFICATION**

You agree to indemnify, defend, and hold harmless us, our affiliates, directors, officers, shareholders, employees, and agents, and the successors and assigns of us and any of them, against, and to reimburse us and them for, all loss, claims, or obligations that are related to or are based on your acquisition, management, or operation of the Franchised Business; including, without limitation:

(a) Your breach of any provision contained in this Agreement or any other agreement between you and us or any of our affiliates;

(b) Acts, errors, or omissions of you or any of your agents, servants, employees, contractors, partners, affiliates, or representatives;

(c) Your violation, breach, or asserted violation or breach of any federal, state, or local law, rule, ordinance, regulation, standard, or directive, or of any industry standard;

(d) Your taxes, liabilities, costs, or expenses related to the Franchised Business;

(e) Any advertising or promotional material distributed, broadcast, or in any way disseminated by you or on your behalf, unless we have produced such material or approved it in writing in advance; and

(f) The negligent operation of the Franchised Business.

For purposes of this indemnification, “loss, claims, or obligations” will include, without limitation, all loss, losses, damage, damages (whether compensatory, exemplary, or punitive ), fines, charges, costs, lost profits, attorneys’ fees and costs, accountants’ fees, expenses, court costs, settlement amounts, judgments, expert witness fees, other litigation expenses, and travel and living expenses. We will have the right to defend any such claim against us in such manner as we deem appropriate in our Reasonable Business Judgment. This indemnification will survive the termination of this Agreement.

## **18. MISCELLANEOUS**

**18.1 Enforcement.** You acknowledge that any failure by you to comply with the terms of this Agreement could cause us irreparable harm that may not be compensable by the payment of money; and, therefore, you agree that we will be entitled to appoint a receiver of the Franchised Business and to seek to obtain declarations, temporary and permanent injunctions, and orders of specific performance enforcing the provisions of this Agreement related to your use of the Marks, your obligations on termination or expiration of this Agreement, and assignment of this Agreement, and to prohibit any act or omission by you, or any employee of yours, that constitutes a violation of any applicable law, by-law, or regulation, is dishonest or misleading to Maid Brigade customers or prospective customers; or constitutes a danger to employees, customers, or to the public; or that may impair the goodwill associated with the Marks. If we secure any such injunction, declaration, or order of specific performance, or bring any proceeding to enforce the provisions of this Agreement, you agree to pay to us an amount equal to the aggregate of our reasonable costs of obtaining such relief including, without limitation, attorneys’ and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, travel and living expenses, and any damages related to the breach of any such provision.

**18.2 Severability.** All provisions of this Agreement are severable. In the event that any provision of the Agreement is ruled by a court, agency, or arbitrator having jurisdiction over the subject matter and the parties to be invalid or unenforceable, this Agreement will be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained in this Agreement; and all partially valid and enforceable provisions will be enforced to the extent they are intelligible, valid, and enforceable. If any provision of this Agreement that restricts

competitive activity is declared invalid or unenforceable due to its scope, geographic restriction, or length of time, but could be enforceable if any of the foregoing are reduced, you agree that the restrictions will be enforced to the fullest extent permitted by law in the jurisdiction in which we seek enforcement.

18.3 Compliance with Local Law. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of this Agreement than is required under this Agreement, or the taking of some other action not required under this Agreement, the prior notice or other action required by such law or rule will be substituted for the notice requirements set forth in this Agreement. Such modifications of this Agreement will be effective only in such jurisdiction and will be enforced as originally made and entered into in all other jurisdictions.

18.4 Waiver of Obligations and Amendments. Either party to this Agreement may, by written instrument delivered to the other, unilaterally waive any obligation of, or restriction placed solely on, the other party under this Agreement. No acceptance by us of any payment by you, and no failure, refusal, or neglect of us or you to exercise any right under this Agreement or to insist on full compliance by the other with its obligations under this Agreement, will constitute a waiver of any provision in this Agreement. Any waiver we grant will be without prejudice to any other rights we may have and may be revoked at any time, and for any reason, by written notice. No failure, refusal, or neglect of the parties to this Agreement to exercise any rights contained in this Agreement will be deemed a waiver of such rights unless notice is given in writing as provided in this Agreement. Any modification or amendment to this Agreement, except as noted above, will be in writing signed by all parties to this Agreement.

18.5 Withholding Payments. You will not, for any reason, withhold payment of any Royalty and Service Fees, Advertising Fees, or any other fees or payments due to us under this Agreement. You will not have the right to withhold or offset any liquidated or unliquidated amounts, damages, or other monies allegedly due to you by us against any Royalty and Service Fees, Advertising Fees, or any other fees due to us under this Agreement. No endorsement or statement on any check or payment of any sum less than the full sum due to us will be construed as an acknowledgment of payment in full or an accord and satisfaction, and we may accept and cash such check or payment without prejudice to our right to recover the balance due or pursue any other remedy provided in this Agreement or by law. We may apply any payments you make against any of your past due indebtedness as we deem appropriate. We may set off sums we owe you against any unpaid debts you owe us.

18.6 Rights of Parties Are Cumulative. The rights of the parties under this Agreement are cumulative, and no exercise or enforcement by a party of any right or remedy under this

Agreement will preclude the exercise or enforcement by that party of any other right or remedy contained in this Agreement, or to which it is entitled by law.

18.7 Construction. The headings of the several sections and paragraphs of this Agreement are for convenience only and do not define, limit, or have any effect on the construction of the contents of such sections or paragraphs. The term “you” as used in this Agreement is applicable to one or more persons, a corporation, a limited liability company, or a partnership, as the case may be, and the singular usage (where applicable) includes the plural, and the masculine and neuter usages (where applicable) include the other and the feminine. All dollar amounts in this Agreement described are United States dollars. The word “Term” will include a renewal Term hereof, if this Agreement is renewed in accordance with Section 1.2 above, unless the context requires otherwise. When calculating the date on which, or the time within which, any act is to be done under this Agreement, the date that is the reference date in calculating such period will be excluded. If the last of such period is a non-business day, the period in question will end on the next business day.

18.8 Independent Contractors. The parties to this Agreement are independent contractors and no training, supervision, or assistance we give will be deemed to negate such independence. You acknowledge that the success of the Franchised Business depends substantially on your own efforts and on circumstances beyond our control, such as general economic conditions and the economic conditions in the Operating Territory, and you hereby assume the sole responsibility for its success or failure. You will conspicuously identify yourself at the Franchised Business premises as the owner or tenant, as the case may be, of the premises and a licensed franchisee of ours. Neither party to this Agreement will make any agreements, representations, or warranties (except by us in advertising as provided for in this Agreement) in the name of, or on behalf of, the other, or that their relationship is other than that of franchisor and franchisee; neither party hereto will be obligated by nor has any liability for, any agreements, representations, or warranties made by the other (except by us in advertising as provided for in this Agreement); nor will we be liable for any damages to any person or property, directly or indirectly, related to your operation of the Franchised Business. We will have no liability for any sales, use, excise, income, property, or other tax levied on the Franchised Business or its assets related to the services you perform.

You acknowledge that we have no control over your hiring and employment practices, all of which are your sole responsibility. You will have sole authority and control over the day-to-day operations of your Business and your employees and/or independent contractors. You are solely responsible for all employment decisions and to comply with all state, federal, and local hiring laws, including without limitation, those related to hiring, firing, training, wage and hour

requirements, compensation, promotion, record-keeping, supervision, and discipline of employees, paid or unpaid, full or part-time. At no time will you or your employees be deemed to be employees of us or our affiliates.

18.9 General Due Date; Interest and Late Charges. All amounts payable under this Agreement or any other agreement between the parties to this Agreement: (i) will, except where a due date is otherwise specified, be due ten (10) days after we deliver notice of the amount due, or demand for payment of the amount due, to you; and (ii) will bear interest after the date on which such payment becomes due at two percent (2%) per annum above the lowest annual rate of interest quoted by our bank to its most creditworthy borrowers for prime business loans at the time such payment becomes due, or the maximum legal rate of interest, whichever is less.

Payments of Royalty and Service Fees and Advertising Fees must be submitted weekly to us as provided in this Agreement, and if any such payment is made late or is not made, we may require you to pay a late charge equal to ten percent (10%) of such payment due to cover our administrative and collection costs related to such payment.

18.10 Entire Agreement. This Agreement including Schedules and any other documents expressly referred to herein or otherwise attached hereto, sets forth the sole and entire agreement between the parties and supersedes all prior discussions, understandings, and agreements between the parties with respect to the matters contained herein. The parties expressly confirm that there are no other oral or written agreements, "side-deals," arrangements, or understandings between them except as set forth herein. No modification, amendment, or waiver of this Agreement, or any provision hereof, will be binding on either party unless evidenced by an instrument in writing duly signed by an authorized officer or employee of the party against whom enforcement is sought. You acknowledge and agree that you have not been induced to enter into this Agreement in reliance on, nor as a result of, any statements, representations, warranties, covenants, promises, or inducements whatsoever, whether oral or written, and whether directly related to the contents hereof or collateral thereto, made by us or our affiliates, directors, officers, shareholders, employees. You acknowledge that we have granted you the Franchise in reliance on the information you supplied to us in your application for a Maid Brigade franchise. Nothing contained in the Franchise Agreement or any related Agreement is intended to disclaim the representations we made in the Franchise Disclosure Document.

18.11 Notices. Any notice, request, or demand that the parties to this Agreement may be required or permitted to give to the other party (collectively the "Notice") will be in writing and will be delivered by: (i) personal delivery; (ii) facsimile transmission; (iii) courier delivery by a national courier service, such as Federal Express, UPS, or Airborne, for overnight delivery; or

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(iv) prepaid certified mail; and will be deemed given on the earlier of: (a) receipt; (b) refusal to accept delivery; (c) facsimile printout acknowledging receipt of facsimile transmission; or (d) three (3) business days after deposit in the mail. All such notices will be addressed as shown on the first page or Schedule A of this Agreement, to the site of the franchised business in case of notices given to you, or to such other address as may be designated by a party to this Agreement by written notice to the other party.

18.12 Force Majeure. Neither party shall be responsible to the other for non-performance or delay in performance occasioned by causes beyond its control, including without limiting the generality of the foregoing: (a) acts of God; (b) acts of war, terrorism, or insurrection; (c) strikes, lockouts, labor actions, boycotts, floods, fires, hurricanes, tornadoes, widespread infectious diseases, pandemics or epidemics, and/or other casualties; (d) the inability of us and/or our affiliates or suppliers to manufacture, purchase, and/or cause delivery of any products used in the operation of the Franchised Business; and (e) legislative changes and/or governmental orders affecting the sale of the products by you. The ability or inability of either party to obtain and/or remit funds shall be considered within control of such party.

18.13 Time of the Essence. In all respects, time will be of the essence to this Agreement.

18.14 Further Assurances. Each party to this Agreement will execute and deliver such further instruments, contracts, forms, and other documents, and will perform such further acts, as may be necessary or desirable to carry out, complete, and perform all terms, covenants, and obligations contained in this Agreement.

18.15 Joint and Several Liability. In the event that you as franchisee consist of more than one person, entity, or combination of the two, your liability under this Agreement will be both joint and several. A breach of this Agreement by one such person or entity will be deemed to be a breach by both or all persons or entities.

18.16 Successors Bound; No Waiver. This Agreement will inure to the benefit of, and be binding on, the parties to this Agreement and their permitted successors and assigns. Nothing in this Agreement or in any related agreement is intended to disclaim our representations made in our Franchise Disclosure Document.

18.17 Dispute Resolution.

18.17.1 Governing Law. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act; 15 U.S.C. §1050et seq.), this Agreement, the franchise and all Claims arising from or in any way related to the relationship between us, and/or any of our

affiliates, on the one hand, and you, and any of your owners, guarantors and/or affiliates, on the other hand, shall be interpreted and construed under the procedural and substantive laws of the State of Arizona, which laws shall prevail in the event of any conflict of law, except that any Arizona law regulating the sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Section 18.17.1.

18.17.2 Internal Dispute Resolution. You must first bring any claim or dispute between you and us to our President and provide us with 30 days' notice and opportunity to cure. You must exhaust this internal dispute resolution procedure before you may bring your dispute before a third party. This agreement to first attempt resolution of disputes internally will survive termination or expiration of this Agreement

18.17.3 Mediation. Once the internal dispute provisions of Section 18.17.2 have been exhausted, at our option, any claim, dispute or disagreement, including any matter pertaining to the interpretation of this Agreement or issues relating to the offer and sale of the franchise or the relationship between the parties (a "Dispute") to mediation under the auspices of the American Arbitration Association ("AAA"), in accordance with AAA's Commercial Mediation Rules then in effect. The mediation will take place in the county in which we maintain our principal place of business at the time the Dispute arises (currently, Maricopa County, Arizona) and the parties irrevocably waive any objection to such venue. Before commencing any legal action against us or our affiliates with respect to any such claim or dispute, you must submit a notice to us, which specifies, in detail, the precise nature and grounds of such claim or dispute. We will have a period of thirty (30) days following receipt of such notice within which to notify you whether we or our affiliates elect to exercise its option to submit claims or disputes to mediation. You may not commence any action against us or our affiliates with respect to any such claim or dispute in any court unless we fail to exercise its option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (a) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (b) as a result of our written declaration. Our right to mediate, as set forth herein, may be specifically enforced by us. Each party will bear its own cost of mediation and the parties will share mediation costs equally. This agreement to mediate will survive any termination or expiration of this Agreement. The parties agree that there will be no class action mediation. The parties will not be required to first attempt to mediate a controversy, dispute, or claim through mediation as set forth in this section if such controversy, dispute, or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating): (1) any federally protected intellectual property rights in the Marks, the System or in any Confidential Information;

(2) any of the restrictive covenants contained in this Agreement; or (3) any claims to collect past due amounts owed to us or our affiliates.

18.17.4 Litigation. If the Dispute is not resolved by mediation or we elect not to mediate the Dispute, the parties agree that any such legal proceeding will be brought in the United States District Court where our headquarters is then located (currently, Maricopa County, Arizona). If there is no federal jurisdiction over the dispute, the parties agree that any such legal proceeding will be brought in the court of record of the state and county where our headquarters is then located. Each party consents to the jurisdiction of such courts and waives any objection that it, he or she may have to the laying of venue of any proceeding in any of these courts.

18.17.5 Limitations on Claims. You further agrees that no cause of action arising out of or under this Agreement may be maintained by you against us unless brought before the expiration of one (1) year after the act, transaction or occurrence upon which such action is based or the expiration of one (1) year after you become aware of facts or circumstances reasonably indicating that you may have a claim against us hereunder, whichever occurs sooner, and that any action not brought within this period will be barred as a claim, counterclaim, defense, or set-off. You hereby waive the right to obtain any remedy based on alleged fraud, misrepresentation, or deceit by us, including, without limitation, rescission of this Agreement, in any mediation, arbitration, judicial, or other adjudicatory proceeding arising hereunder, except upon a ground expressly provided in this Agreement, or pursuant to any right expressly granted by any applicable statute expressly regulating the sale of franchises, or any regulation or rules promulgated thereunder. The parties agree that all proceedings will be conducted on an individual, not a class-wide basis, and that any proceeding between you, your owners and guarantors, and us or our affiliates or employees may not be consolidated with any other proceeding between us and any other party or entity.

18.17.6 Confidentiality. All documents, information, and results pertaining to any lawsuit will be confidential, except as required by law or as required for us to comply with laws and regulations applicable to the sale of franchises.

18.17.7 Performance During Litigation. Unless this Agreement has been terminated, the parties will comply with this Agreement and perform their respective obligations under this Agreement during the litigation process.

18.17.8 Damages. You hereby waive to the fullest extent permitted by law any right to or claim of any punitive, exemplary or other monetary damages not based on actual

damages incurred against the other and agree that in the event of a dispute, you shall be limited to the recovery of any actual damages sustained by it.

18.18 **WAIVER OF JURY TRIAL:** WE AND YOU IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING WITH RESPECT TO ANY CLAIM, INCLUDING ANY COUNTERCLAIMS, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER YOU OR US AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.

18.19 **WAIVER OF PUNITIVE AND EXEMPLARY DAMAGES:** YOU HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN US AND YOU, YOU WILL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY YOU.

18.20 Omitted.

18.21 Interpretation of Rights and Obligations. The following provisions will apply to and govern the interpretation of this Agreement, the parties' rights under this Agreement and the relationship between the parties:

18.21.1 Our Rights. Whenever this Agreement provides that we have or reserve (retain) a certain right, that right is absolute and the parties intend that our exercise of that right will not be subject to any limitation or review. We have the right to operate, administrate, develop and change the System in any manner that is not specifically precluded by the provisions of this Agreement.

18.21.2 Reasonable Business Judgment. "Reasonable Business Judgment" means that our determinations or choices will prevail, even if other alternatives are also reasonable or arguably preferable, if we intend to benefit, or are acting in a way that could benefit, the System (by, for example, enhancing the value of the Marks, increasing customer satisfaction, minimizing possible customer confusion as to the Marks or the location of any Maid Brigade business, or increasing our financial strength). You agree to this concept of Reasonable Business Judgment in acknowledgment of the fact that we should have at least as much discretion in administering the System as a corporate board of directors has in directing a corporation and because the long-term interests of the System and all franchisees and owners of Franchised Businesses in the System require that we have the latitude to exercise Reasonable Business Judgment. We shall not be required to consider your particular economic or other circumstances or to slight our own economic or other business interests when exercising our Reasonable Business Judgment. You acknowledge that: (i) we have a legitimate interest in seeking to maximize our profit; and (ii) the fact that we benefit economically from an action will not be

relevant to showing that we did not exercise Reasonable Business Judgment. Neither you nor any third party (including but not limited to any third party acting as a trier of fact) shall substitute your or its judgment for our Reasonable Business Judgment. You agree that, in a given situation, you have the burden of establishing, by clear and convincing proof, that we failed to exercise Reasonable Business Judgment.

18.22 No Offer and Acceptance. Delivery of a draft of this Agreement to you by us does not constitute an offer. This Agreement shall not be effective unless and until it is executed by both you and us.

18.23 Additional Terms; Inconsistent Terms. The parties may provide additional terms by including the terms on the Summary Page. To the extent that any provisions of the Summary Page are in direct conflict with the provisions of this Agreement, the provisions of the Summary Page shall control.

18.24 Entire Agreement. This Agreement constitutes the entire agreement of the parties and supersedes all prior negotiations and representations. Nothing in this Agreement or in any related agreement is intended to disclaim the representations we made in our franchise disclosure document. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (a) waiving any claims under any applicable state franchise law, including fraud in the inducement or (b) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the parties to this Agreement, intending to be legally bound, hereby have duly executed and delivered this Agreement in multiple counterparts, any of which will have the effect of an original and all of which, when taken together, will constitute one and the same instrument, as of the Effective Date first above written.

**US:**

**YOU:**

MB FRANCHISE HOLDINGS, INC.

\_\_\_\_\_

(Signature)

By: \_\_\_\_\_

\_\_\_\_\_

Raychel Leong-Sullins

(Print Name)

Its: President

\_\_\_\_\_

(Signature)

\_\_\_\_\_

(Print Name)

**SCHEDULE A**

**MB FRANCHISE HOLDINGS, INC.**

**SUMMARY DESCRIPTION OF THE OPERATING TERRITORY**

Franchisee is a (circle/underline one):

Partnership    Corporation    Limited Liability Company

Please complete the following table by listing the name, principal address, title, and percentage ownership interest of all parties who have an interest in Franchisee:

Name	Address	Title	Percentage Ownership Interest

**RESPONSIBLE OWNER:**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Percentage Ownership in Franchisee: \_\_\_\_\_

The Operating Territory will be:

Your Principal Business Address is: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

You are Purchasing \_\_\_\_\_ Qualified Households

Your Initial Franchise Fee is: \_\_\_\_\_

Your Additional Territory Fee is: \_\_\_\_\_

The cost of your Initial Package is: \_\_\_\_\_

INITIAL

\_\_\_\_\_

\_\_\_\_\_

Us

You

Geographic or political boundaries described above or delineated on the attached high resolution map will be considered fixed as of the date of the Franchise Agreement and will not change for the purpose of this Agreement notwithstanding a change or reorganization to such boundaries or regions. All street boundaries will be deemed to end at the street center line unless otherwise so delineated or specified above.

## SCHEDULE B

### STATE-SPECIFIC AMENDMENTS

#### FOR RESIDENTS OF THE STATE OF CALIFORNIA

**Registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the Commissioner.**

CALIFORNIA CORPORATIONS CODE SECTION 31125 REQUIRES THAT THE FRANCHISOR GIVE THE FRANCHISEE A DISCLOSURE DOCUMENT APPROVED BY THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION PRIOR TO A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

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

In addition to the information contained in Item 3 of the Disclosure Document, neither the Franchisor or any person identified in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in that association or exchange.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

The Franchise Agreement provides for termination on bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et. seq.).

The Franchise Agreement contains a covenant not to compete that extends beyond the termination of the Franchise. This provision may not be enforceable under California law.

The Franchise Agreement requires application of the laws and forum of the State of Arizona. This provision may not be enforceable under California law.

California Corporations Code, Section 31125 requires us to give you a disclosure document approved by the Department of Financial Innovation and Protection prior to solicitation of a proposed material modification of an existing franchise.

California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination or non-renewal of the Franchised Business. If the Franchise Agreement is inconsistent with the law, the law will control.

The Franchise Agreement requires you to execute a general release of claims on renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order under this Agreement is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000-31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000-20043).

In accordance with CCR § 310.156.3(a)(3), the Franchisor's URL address is [www.Maidbrigade.com](http://www.Maidbrigade.com). "OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION, ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION at [www.dfpi.ca.gov](http://www.dfpi.ca.gov).

The highest interest rate allowed by law in California for late payments is 10% per year.

Franchise owners must sign a personal guaranty, making you and your spouse individually liable for your financial obligations under the agreement if you are married. The guaranty will place your and your spouse's marital and personal assets at risk, perhaps including your house, if our franchise fails.

**Section 31512.1 Franchise Agreement Provisions Void as Contrary to Public Policy:**

Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:

- (e) Representations made by the franchisor or its personnel or agents to a prospective franchisee;
- (f) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents;
- (g) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto;
- (h)** Violations of any provision of this division.

## **FOR RESIDENTS OF THE STATE OF ILLINOIS**

The conditions under which your franchise can be terminated and your rights upon non-renewal may be affected by Illinois Law, ILCS 705/19 and 705/20.

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

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

Illinois law governs the agreements between the parties to this franchise.

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

See the last page of this Schedule B for your signature.

## **FOR RESIDENTS OF THE STATE OF INDIANA**

Any provision in the release described in Section 1.2 of the Franchise Agreement will exclude liabilities under Indiana Code Section 23-2-2.7.

Section 17.2 of the Franchise Agreement is hereby modified by adding the following sentence as the last sentence thereof: "However, you will not be required to indemnify for any liability caused by your proper reliance on, or use of, procedures or materials we provided, or caused by our negligence."

## **FOR RESIDENTS OF THE STATE OF MARYLAND AND FRANCHISES TO BE OPERATED IN MARYLAND**

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Pursuant to COMAR 02.02.08.16L of the Maryland Franchise Registration and Disclosure Law, a general release required as a condition to renewal, sale, and/or assignment/transfer of a franchise shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Any claim arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise. No provision in the Franchise Agreement shall have the effect of reducing the three year period provided under the Maryland statute.

No release, or waiver of liability by a franchisee as a requirement to purchase a franchise shall constitute a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Any acknowledgments or representations of the franchisee made in the franchise agreement which disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Franchise Law are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

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

The terms of the Franchise Agreement are hereby amended in accordance with this Addendum.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Addendum as of the dates shown below.

**US:**

**YOU:**

MAID BRIGADE, INC.

By: \_\_\_\_\_

\_\_\_\_\_

(Signature) (Date)

Raychel Leong-Sullins (Date)

Its: President

\_\_\_\_\_

(Print Name) (Date)

**Minnesota**

With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat § 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that a franchisee be

given 90 days' notice of termination (with 60 days to cure) and 180 days for notice for non-renewal of the franchise agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.

Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release. The provisions in the franchise agreement calling for such a release in connection with either a renewal or a transfer of the franchise agreement will not be enforced with respect to franchises governed by Minnesota law.

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

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

Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to [Minnesota Statute 80C.12 Subd. 1\(G\)](#). The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name.

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See [Minnesota Rule 2860.4400\(J\)](#) also, a court will determine if a bond is required.

The Limitations of Claims section must comply with [Minnesota Statute 80C.17 Subd. 5](#).

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

## **FOR RESIDENTS OF THE STATE OF NEW YORK**

Notwithstanding any provision of the Franchise Agreement, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder will remain in force, it being the intent of this proviso that the non-waiver provisions of the General Business Law of the State of New York Sections 687.4 and 687.5 be satisfied.

No new or different requirements imposed on you as a result of any changes made by us to its Confidential Operations Manual pursuant to Section 4.5 of the Franchise Agreement or otherwise will place an unreasonable economic burden on you.

Notwithstanding any provision of the Franchise Agreement to the contrary, we will not transfer and assign our rights and obligations under the Franchise Agreement unless the transferee will be able to perform our obligations under the Franchise Agreement, in our good faith judgment, so long as it remains subject to Article 33 of the General Business Law of the State of New York.

Section 17.2 of the Franchise Agreement is hereby modified by adding the following sentence as the last sentence thereof: "However, you will not be required to indemnify for any civil wrong of us."

Notwithstanding Section 18.17 of the Franchise Agreement, the choice of law and venue provisions should not be construed as a waiver of any right conferred on you by the provisions of Article 33 of the General Business Law of the State of New York.

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

### **Virginia State Law Appendix**

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

## Washington State Law Appendix

### WASHINGTON ADDENDUM to the Franchise Agreement and related Agreements

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under the franchise agreement or offering circular, and (b) is open for business.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized,

exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

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

The undersigned does hereby acknowledge receipt of this addendum.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_.

\_\_\_\_\_

FRANCHISOR

\_\_\_\_\_

FRANCHISEE

**FOR RESIDENTS OF ALL STATES LISTED IN THIS ADDENDUM**

Notwithstanding Section 18.10 of the Franchise Agreement to the contrary, this Addendum will not be merged with or into, or superseded by, the Franchise Agreement. In the event of any conflict between the Franchise Agreement and this Addendum, this Addendum will be controlling. Except as otherwise expressly set forth in this Agreement, no other amendments or modifications of the Franchise Agreement are intended or made by the parties.

Applicable State or Commonwealth: \_\_\_\_\_

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

**US:**

MB FRANCHISE HOLDINGS, INC.

By: \_\_\_\_\_

Raychel Leong-Sullins

Its: President

**YOU:**

\_\_\_\_\_

(Signature)

\_\_\_\_\_

(Print Name)

\_\_\_\_\_

(Signature)

\_\_\_\_\_

(Print Name)

**SCHEDULE C**

**MB FRANCHISE HOLDINGS, INC.**

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**TELEPHONE LISTING AGREEMENT**

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**MB FRANCHISE HOLDINGS, INC.**

**TELEPHONE LISTING AGREEMENT**

THIS TELEPHONE LISTING AGREEMENT (the "Listing Agreement") is made and entered into by and between MB FRANCHISE HOLDINGS, INC., a Georgia corporation with its principal place of business at 8100 E. Indian School Road, Suite 201, Scottsdale, AZ 85251 ("we," "us," or the "Company"), and \_\_\_\_\_ ("you"), whose principal address is shown on Schedule A to that certain Maid Brigade Franchise Agreement dated \_\_\_\_\_ herewith (the "Franchise Agreement").

WITNESSETH:

WHEREAS, you desire to enter into the Franchise Agreement; and

WHEREAS, we would not enter into the Franchise Agreement without your agreement to enter into, comply with, and be bound by all the terms and provisions of this Listing Agreement;

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, the parties hereby agree as follows:

**1. DEFINITIONS**

All terms used but not otherwise defined in this Listing Agreement shall have the meanings set forth in the Franchise Agreement or Schedules thereto, as the context may require. "Termination" of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or the natural expiration thereof.

**2. TRANSFER; APPOINTMENT**

2.1 Interest in Telephone Numbers and Listings. You have, or will acquire during the Term of the Franchise Agreement, certain right, title, and interest in and to those certain telephone numbers and regular, classified, yellow-page, and other telephone directory listings (collectively, the "Telephone Numbers and Listings") related to the Franchised Business or the Maid Brigade Marks (all of which right, title, and interest is referred to herein as your "Interest").

2.2 Transfer. On expiration, termination or transfer of the Franchise Agreement, if we direct you to do so, you will immediately direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the "Telephone Companies") with which you have Telephone Numbers and Listings: (i) to transfer all your Interest in such Telephone Numbers and Listings to us; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event we do not desire to accept any or all such

Telephone Numbers and Listings, you will immediately direct the Telephone Companies to terminate such Telephone Numbers and Listings.

2.3 Appointment; Power of Attorney. You hereby constitute and appoint us and any officer or agent of ours, for our benefit under the Franchise Agreement and this Listing Agreement or otherwise, with full power of substitution, as your true and lawful attorney-in-fact with full power and authority in your place and stead, and in your name or the name of any affiliated person or affiliated company of yours, on Termination of the Franchise Agreement, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Listing Agreement. You further agree that this appointment constitutes a power coupled with an interest and is irrevocable until you have satisfied all your obligations under the Franchise Agreement and any and all other agreements to which you and any of your affiliates on the one hand, and we and any of our affiliates on the other, are parties. Without limiting the generality of the foregoing, you hereby grant to us the power and right to do the following:

(a) Direct the Telephone Companies to transfer all your Interest in and to the Telephone Numbers and Listings to us;

(b) Direct the Telephone Companies to terminate any or all of the Telephone Numbers and Listings;  
and

(c) Execute the Telephone Companies' standard assignment forms or other documents in order to affect such transfer or termination of your Interest.

2.4 Certification of Termination. You hereby direct the Telephone Companies that they shall accept, as conclusive proof of Termination of the Franchise Agreement, our written statement, signed by an officer or agent of ours, that the Franchise Agreement has Terminated.

2.5 Cessation of Obligations. After the Telephone Companies have duly transferred all your Interest in such Telephone Numbers and Listings to us, as between you and us, you will have no further Interest in, or obligations under, such Telephone Numbers and Listings. Notwithstanding the foregoing, you will remain liable to each and all of the Telephone Companies for the sums you are obligated to pay such Telephone Companies for obligations you incurred before the date we duly accept the transfer of such Interest, or for any other obligations not subject to the Franchise Agreement or this Listing Agreement.

### **3. MISCELLANEOUS**

3.1 Release. You hereby release, remise, acquit, and forever discharge each and all of the Telephone Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertable in, or in any way related to this Listing Agreement.

3.2 Indemnification. You are solely responsible for all costs and expenses related to your performance, your nonperformance, and our enforcement of this Agreement, which costs and expenses you will pay us in full, without defense or setoff, on demand. You agree to indemnify, defend, and hold harmless us, our affiliates, directors, officers, shareholders, employees, and agents, and the successors and assigns of us and any of them, against, and to reimburse us and them for, all loss, claims, or obligations that are related to or are based this Listing Agreement. For purposes of this indemnification, “loss, claims, or obligations” will have the same meaning as set forth in Section 17.2 of the Franchise Agreement.

3.3 No Duty. The powers conferred on us hereunder are solely to protect our interests and shall not impose any duty on us to exercise any such powers. You expressly agree that in no event shall we be obligated to accept the transfer of any or all of your Interest in any or all such Telephone Numbers and Listings.

3.4 Further Assurances. You agree that at any time after the date hereof, you will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Listing Agreement.

3.5 Successors, Assigns, and Affiliates. All our rights and powers, and all your obligations, under this Listing Agreement shall be binding on your successors, assigns, and affiliated persons or entities as if they had duly executed this Listing Agreement.

3.6 Effect on Other Agreements. Except as otherwise provided in this Listing Agreement, all provisions of the Franchise Agreement and Schedules thereto shall remain in effect as set forth therein.

3.7 Survival. This Listing Agreement shall survive the termination of the Franchise Agreement.

3.8 Joint and Several Obligations. All your obligations under this Listing Agreement shall be joint and several.

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

**US:**

**YOU:**

MB FRANCHISE HOLDINGS, INC.

\_\_\_\_\_

(Signature)

By: \_\_\_\_\_

\_\_\_\_\_

Raychel Leong-Sullins

(Print Name)

Its: President

\_\_\_\_\_

(Signature)

\_\_\_\_\_

(Print Name)

**SCHEDULE D**

**MB FRANCHISE HOLDINGS, INC.**

**BANK DRAFT FORM**

**ELECTRONIC FUNDS TRANSFER (EFT) AUTHORIZATION**

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**Franchisee Information:**

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Franchisee Name

Facility No.

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Franchisee Mailing Address (street)

Franchisee Phone No.

---

Franchisee Mailing Address (city, state, zip)

---

Contact Name, Address and Phone number (if different from above)

---

Franchisee Fax No.

Franchisee E-mail Address

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**Bank Account Information:**

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Bank Name

Bank Account No.

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Bank Mailing Address (street)

Bank Routing No.

[:            [:

(9 characters) \_\_\_\_\_

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Bank Mailing Address (city, state, zip)

Bank Phone No.

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**Payee Information:**    Maid Brigade, Inc.

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**Authorization:**

The Franchisee hereby authorizes the Bank to honor and charge the Bank Account for electronic funds transfers or drafts drawn on the Bank Account and payable to the Payees. The amount of such charge shall be set forth in a notice from the Payees presented to the Bank on the tenth (10<sup>th</sup>) day of each month. The Franchisee agrees to execute such additional documents as may be reasonably requested by the Payees or the Bank to evidence the interest of this EFT Authorization. This authority shall remain in full force and effect until the Payees have received written notification from the Franchisee in such time and manner as to afford the Payees and the Bank to act on such notice. The Franchisee understands that the termination of this authorization does not relieve the Franchisee of its obligations to make payments to the Payees.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Federal Tax ID Number: \_\_\_\_\_

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**INDEMNIFICATION OF BANK**

In consideration of the Bank's compliance with the foregoing request and authorization, the Payees agree with respect to any action by the Bank in compliance with the foregoing request and authorization to indemnify the Bank and hold the Bank harmless for, from and against any loss the Bank may suffer as a consequence of the Bank's actions from or in connection with the execution and issuance of any electronic fund transfer or draft, whether or not genuine, purporting to be executed by the Payees and received by the Bank in the regular course of business for the purpose of payment, except to the extent such loss caused by the negligence or willful misconduct of the Bank.

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**NOTE: FRANCHISEE MUST ATTACH A VOIDED CHECK RELATING TO THE BANK ACCOUNT.**

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## **Schedule E to MB Franchise Holdings, Inc Franchise Agreement**

### **Personal Guaranty**

## PERSONAL GUARANTY

As an inducement to MB Franchise Holdings, Inc. (hereinafter "Us" or "We") to enter into the foregoing Franchise Agreement with \_\_\_\_\_ "Franchisee") dated \_\_\_\_\_ (hereinafter referred to as the Franchise Agreement") the undersigned, jointly and severally, hereby unconditionally guarantee to us and our successors and assigns that all of the Franchisee's obligations under the Franchise Agreement will be punctually paid and performed in a timely manner. The undersigned further guaranty the full payment and performance of all obligations of the Franchisee to us under the franchise relationship with us, whether embodied in the Franchise Agreement or otherwise. Further, the undersigned, individually, jointly and severally, hereby agree to be personally bound by each and every condition and term contained in the Franchise Agreement as though each of the undersigned were the franchisee, including the dispute resolution provisions, restrictive covenants and non-disclosure provisions, and any amendments, extension or other modification to the Franchise Agreement.

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

Franchise Agreement, and the undersigned each hereby jointly and severally waive notice of same and agree to be bound by any and all amendments and changes to the Agreement, including any extensions or renewals of the Franchise Agreement, including renewals effected by the execution of a replacement Franchise Agreement, which the undersigned hereby specifically guarantees. The undersigned expressly acknowledge that the obligations under this guarantee provision survive the expiration or termination of the Franchise Agreement.

The undersigned hereby agrees to defend, indemnify and hold us harmless against any and all losses, damages, liabilities, costs and expenses (including reasonable attorneys' fees, reasonable costs of investigation, court costs and arbitration fees and expenses) ("**Claims**") resulting from, consisting of or arising out of or in connection with any failure by the Franchisee, its, owners, officers, directors, agents or employees to perform any obligation under the Franchise Agreement, any amendment thereto or any other agreement executed by Franchisee arising out of the franchise relationship between us and the Franchisee.

Guarantor represents and warrants to us that neither Guarantor (including, without limitation, any and all of its employees, directors, officers and other representatives), nor any of its affiliates or the funding sources for either, is a person or entity designated with whom we, or any of our affiliates, are prohibited by law from transacting business.

This guarantee will terminate upon the termination or expiration of the Franchise Agreement (unless, upon expiration of the scheduled term of the Franchise Agreement a new Franchise Agreement is signed for an extended term), except that all obligations and liabilities of the undersigned which arose from events which occurred on or before the effective date of such expiration or termination will remain in full force and effect until satisfied or discharged by the undersigned, and all covenants which by their terms continue in force after the expiration or termination of the Franchise Agreement will remain in force according to their terms. Upon the death of any undersigned, the estate of such individual guarantor will be bound by this guarantee, but only for defaults and obligations under this guarantee existing at the time of death; and the obligations of the other undersigned guarantors will continue in full force and effect.

Unless specifically stated otherwise, the terms used in this guarantee will have the same meaning as in the Franchise Agreement and will be interpreted and construed in accordance with Section 18 of the Franchise Agreement. This guarantee will be interpreted and construed under the laws of the State of Arizona. In the event of any conflict of law, the laws of Arizona will prevail, without regard to, and without giving effect to, the application of the State of Arizona conflict of law rules. Nothing in this guarantee is intended by the parties to subject this guarantee to any franchise or similar law, rule or regulation of the State of Arizona or of any other state to which it would not otherwise be subject.

**WAIVER OF JURY TRIAL: WE AND YOU IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING WITH RESPECT TO ANY CLAIM, INCLUDING ANY COUNTERCLAIMS, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER YOU OR US AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.**

WAIVER OF PUNITIVE AND EXEMPLARY DAMAGES: WE AND YOU HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN US AND YOU, EACH WILL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT.

Any and all notices required or permitted under this guarantee will be in writing and will be personally delivered in the manner provided under Section 14.11 of the Franchise Agreement.

IN WITNESS WHEREOF, the undersigned has signed this guarantee as of the Effective Date of the Franchise Agreement.

GUARANTOR(S)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Schedule F to MB Franchise Holdings, Inc Franchise Agreement**

**Nondisclosure and Noncompetition Agreement**

## NONDISCLOSURE AND NONCOMPETITION AGREEMENT

THIS NONDISCLOSURE AND NONCOMPETITION AGREEMENT (this "Agreement") is entered into as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by the undersigned individual (the "Confidant") for the benefit of MB Franchise Holdings, Inc. ("Maid Brigade"), and if applicable, \_\_\_\_\_, a Maid Brigade Franchisee (the "Franchisee") under that certain Franchise Agreement dated as of the \_\_\_\_ day of \_\_\_\_\_, 20 (the "Franchise Agreement"), whereby Franchisor granted a license to Franchisee to use the MAID BRIGADE® trade name and trademarks (collectively, the "Marks") in connection with operating a business that provides supervised team cleaning services to home and light commercial cleanings and offers proprietary and other household products (the "Franchised Business") using the methods developed by Maid Brigade (the "System"). All capitalized terms not defined herein have the meanings set forth in the Franchise Agreement.

### RECITALS:

- A. The Confidant is an owner, officer and/or director, or manager or other key employee of Franchisee.
- B. Given Confidant's position with Franchisee, Confidant will be in a position of trust and confidence and will have access to and will receive certain Confidential Information and Trade Secrets of Maid Brigade.
- C. The Confidant consequently agrees that it is reasonable and necessary for the protection of the System and for the benefit of Maid Brigade, and if applicable, Franchisee, to keep the Confidential Information and Trade Secrets confidential and not to compete with any Maid Brigade Business, all pursuant to the terms and conditions contained in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and conditions contained herein, and as an inducement to Maid Brigade to divulge Confidential Information and Trade Secrets to the Confidant, or to enter into a Franchise Agreement with Franchisee, and/or in consideration of the Confidant's relationship with Franchisee, the Confidant agrees as follows:

#### 1. **Nondisclosure of Trade Secrets and Confidential Information**

Confidant agrees, during the term of the Franchise Agreement and following termination, expiration or assignments of the Agreement, not to disclose, duplicate, sell, reveal, divulge,

publish, furnish or communicate, either directly or indirectly, any Trade Secret or other Confidential Information of Maid Brigade to any other person or entity unless authorized in writing by Maid Brigade. Confidant agrees not to use any Trade Secrets or Confidential Information for his or her personal gain or for purposes of others, whether or not the Trade Secret or Confidential Information has been conceived, originated, discovered or developed, in whole or in part, by Confidant or represents Confidant's work product. If Confidant has assisted in the preparation of any information that Maid Brigade considers being a Trade Secret or Confidential Information or has himself or herself prepared or created the information, Confidant assigns any rights that he or she may have in the information as its creator to Maid Brigade, including all ideas made or conceived by Confidant. Notwithstanding any other provision of this Agreement, there may be certain, limited circumstances where applicable law allows for the disclosure of certain Confidential Information and/or Trade Secrets in limited circumstances, as specified in the Maid Brigade's Operations Manual.

## **2. Definition of Trade Secrets and Confidential Information**

For purposes of this Agreement, the terms "Trade Secrets" and "Confidential Information" mean any knowledge, techniques, processes or information made known or available to Confidant that Maid Brigade treats as confidential, whether existing now or created in the future, including but not limited to information about the cost of materials and supplies; supplier lists or sources of supplies; internal business forms, orders, client lists, manuals and instructional materials describing Maid Brigade's methods of operation, including Maid Brigade's Operations Manual; drawings, designs, plans, proposals, and marketing plans; all concepts or ideas in, or reasonably related to Maid Brigade's business that have not previously been publicly released by Maid Brigade; and any other information or property of any kind of Maid Brigade that may be protected by law as a Trade Secret, confidential or proprietary. The Trade Secrets and Confidential Information described in this Agreement are the sole property of Maid Brigade.

## **3. Return of Proprietary Material**

Upon termination of the Franchise Agreement, the Confidant's ownership interest in Franchisee, or Confidant's employment with Franchisee, Confidant shall surrender to Maid Brigade all materials considered proprietary by Maid Brigade, technical or non-technical, whether or not copyrighted, which relate to Trade Secrets, Confidential Information or conduct of the operations of Maid Brigade. Confidant expressly acknowledges that any such materials of any kind given to him or her are and will remain the sole property of Maid Brigade.

4. **Solicitation of Employees / Clients**

Confidant further agrees that he or she will not furnish to or for the benefit of any competitor of Maid Brigade, or the competitor's franchisees, or the competitor's subsidiaries, the name of any person who is employed by Maid Brigade or by any franchisee of Maid Brigade, or any client or referral source information.

5. **Noncompetition**

Confidant agrees and covenants that because of the confidential and sensitive nature of the Confidential Information and because the use of the Confidential Information in certain circumstances may cause irrevocable damage to Maid Brigade, Confidant will not, until the expiration of two (2) years after the termination of the Franchise Agreement, the Confidant's ownership interest in Franchisee, or Confidant's employment with Franchisee that Confidant will not: (a) engage, directly or indirectly, or through any corporations, limited liability companies, partnerships, or Related Parties, in any Competitive Business that is (i) located at the Approved Office Location; (ii) located at or providing services within the Approved Territory; or (iii) located at or providing services within any other Maid Brigade franchisee's approved territory; or (b) solicit any person who was a client or referral source of the Franchised Business or who was a client or referral source of the Franchised Business at any time during the three (3) year period before the termination of the Franchise Agreement, the Confidant's ownership interest in Franchisee, or Confidant's employment with Franchisee for the purpose of selling them or obtaining referrals for any service the Franchised Business was authorized to sell pursuant to the Franchise Agreement.

The term "Competitive Business" shall mean any business which offers or sells, in whole or in part, house cleaning or janitorial service services or similar to any product or service then offered by Maid Brigade franchisees or otherwise competes directly or indirectly with the Maid Brigade System.

**6. Saving Provision**

Confidant agrees and stipulates that the agreements and covenants not to compete contained in the preceding paragraph are fair and reasonable in light of all the facts and circumstances of the relationship between Confidant and Maid Brigade. However, Confidant and Maid Brigade are aware that in certain circumstances courts have refused to enforce certain agreements not to compete. Therefore, in furtherance of the provisions of the preceding paragraph, Confidant and Maid Brigade agree that if a court or arbitrator declines to enforce the provisions of the preceding paragraph, that paragraph shall be considered modified to restrict Confidant's competition with Maid Brigade to the maximum extent, in both time and geography, which the court or arbitrator finds enforceable.

**7. Irreparable Harm to Maid Brigade**

Confidant understands and agrees that Maid Brigade will suffer irreparable injury that cannot be precisely measured in monetary damages to its Trade Secrets and Confidential Information if its Trade Secrets or Confidential Information is obtained by any person, firm or corporation and is used in competition with Maid Brigade. Accordingly, Confidant agrees that it is reasonable and for the protection of the business and goodwill of Maid Brigade for Confidant to enter into this Agreement. Thus, if there is a breach of this Agreement by Confidant, Confidant consents to entry of a restraining order or other injunctive relief and to any other relief that may be granted by a court having proper jurisdiction.

**8. Binding Effect**

This Agreement will be binding on Confidant's heirs, executors, successors and assignees as though originally signed by these persons.

**9. Applicable Law**

The laws of the state where Confidant lives will govern the validity of this Agreement. If any provision of this Agreement is void or unenforceable in that State, the remainder of the Agreement will be fully enforceable according to its terms.

10. **Third Party Beneficiary**

Confidant and Franchisee acknowledge and agree that in the event this Agreement is not signed by Maid Brigade that, Maid Brigade is a third-party beneficiary under the terms of this Agreement.

*[Signatures on following page.]*

**CONFIDANT**

---

[Name of Confidant]

By: \_\_\_\_\_

[Confidant's signature]

---

[Name of Confidant]

By: \_\_\_\_\_

[Confidant's signature]

---

[Name of Confidant]

By: \_\_\_\_\_

[Confidant's signature]

**ACCEPTED BY:**

---

(Maid Brigade or Franchisee)

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT C**

**THE MB FRANCHISE HOLDINGS, INC. DISCLOSURE DOCUMENT**



**CORPORATE ASSIGNMENT AGREEMENT**

**MAID BRIGADE, INC.**

**CORPORATE ASSIGNMENT AGREEMENT**

THIS ASSIGNMENT AGREEMENT (the "Assignment") is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 202\_\_ (the "Effective Date"), by and among MB FRANCHISE HOLDINGS, INC., a Georgia corporation with its principal place of business at 8100 E. Indian School Road, Suite 201, Scottsdale, AZ 85251 ("Franchisor"); \_\_\_\_\_, whose principal address is set forth in Schedule A to the Franchise Agreement (as described in the Recitals of this Assignment, below) ("Franchisee"); and \_\_\_\_\_, whose principal address is \_\_\_\_\_ ("Assignee").

**W I T N E S S E T H:**

WHEREAS, Franchisor and Franchisee are parties to that certain Maid Brigade Franchise Agreement dated as of the \_\_\_\_ day of \_\_\_\_\_, 201\_\_ (the "Franchise Agreement"), which Franchise Agreement is incorporated herein by this reference and made a part hereof; and

WHEREAS, the Franchise Agreement granted Franchisee certain valuable rights in exchange for certain financial and performance obligations, which rights and obligations Franchisee desires to transfer to Assignee; and

WHEREAS, Assignee desires to be assigned such rights and to assume such obligations; and

WHEREAS, Franchisor desires to confer such rights on Assignee and to accept performance of such obligations from Assignee;

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, the parties hereby agree as follows:

1. Definitions. All terms used but not otherwise defined in this Assignment shall have the meanings set forth in the Franchise Agreement or Schedules thereto, as the context may require.

3. Transfer. Franchisee hereby transfers and assigns to Assignee, effective as of the Effective Date, all right, title, and interest of Franchisee in and to the Franchise Agreement and the Franchise set forth therein.

4. Acceptance. Assignee hereby accepts the transfer and assignment from Franchisee, effective as of the Effective Date, of all right, title, and interest of Franchisee in and to the Franchise Agreement and the Franchise granted therein, as set forth in Section 1 of this Assignment.

5. Consent. Franchisor hereby consents to the transfer and assignment to Assignee, effective as of the Effective Date, of all right, title, and interest of Franchisee in and to the Franchise Agreement and the Franchise granted therein, as set forth in Section 1 of this Assignment, subject to the terms and conditions of this Assignment.

6. Joint and Several Liability. Franchisee and Assignee agree that as of the Effective Date, Franchisee and Assignee shall be jointly and severally liable for the observation and performance of all covenants and obligations owed to Franchisor under the Franchise Agreement. Nothing set forth in this Assignment shall be deemed or construed to relieve or release Franchisee from any of Franchisee's obligations set forth in the Franchise Agreement.

7. Covenants and Warranties of Assignee and Franchisee. Assignee and the Franchisee jointly and severally covenant and warrant that for so long as said Franchise Agreement remains in effect:

7.1 Franchisee and Assignee shall not, directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise, sell, assign, transfer, convey, donate, pledge, mortgage, or otherwise encumber any shares of Assignee without first obtaining Franchisor's written consent.

7.2 Franchisee shall continue to own beneficially and to control the majority of the issued voting shares of Assignee. For the purposes of this Section 6 of this Assignment, "voting shares" shall include shares of any class or classes of stock, however designated, having ordinary voting power under all circumstances, the exercise of which voting power is not restrained by the existence of any agreement, whether written or oral.

7.3 Franchisee and Assignee shall not permit, without first obtaining Franchisor's written consent, any transfer or issue of any shares of the Assignee. In the event Franchisor grants such consent, Franchisee and Assignee shall cause the new shareholder duly to execute a written agreement with Franchisor undertaking to be bound by the restrictions on any change in control of Assignee and the covenants of non-competition and confidentiality set forth in the Franchise Agreement. On the appointment or election of any person as a director or officer of Assignee, Franchisee and Assignee shall cause such person to execute a written agreement with Franchisor, pursuant to which such person agrees to be bound by the covenants of non-competition and confidentiality set forth in the Franchise Agreement.

7.4 Assignee shall furnish to Franchisor, prior to the execution of this Assignment and forthwith on any and all transfers or issuances of shares of the Assignee, a list of all shareholders having an interest in Assignee, which list shall reflect: (i) the percentage interest of each shareholder; and (ii) the number of shares directly or indirectly owned or controlled by each such shareholder.

7.5 Except as set forth in the Franchise Agreement, Assignee will not use the Marks, or any name deceptively similar thereto, as part of its corporate name or trade name.

8. Further Covenants and Warranties of Assignee. Assignee further covenants and warrants that it will, at all times after the Effective Date, observe and perform each and all of the covenants and obligations of Franchisee set forth in the Franchise Agreement; including, without limiting the generality of the foregoing: (i) paying to Franchisor all sums to be paid by Franchisee set forth therein, including all initial franchise fees, Royalty and Service Fees, and Advertising Fees; and (ii) fulfilling the Local Advertising Requirement.

9. Limitation. Franchisor's consent set forth in this Assignment shall not be construed as a waiver by Franchisor of the necessity for its consent to any further assignment of the Franchise Agreement, which further assignment shall be effected only in accordance with the terms set forth in the Franchise Agreement.

10. Release. Franchisee and Assignee hereby release, remise, acquit, and forever discharge Franchisor and its directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertable in, or in any way related to the Franchise Agreement or this Assignment.

11. Transfer of Assets. Franchisee shall, as of the Effective Date, transfer to Assignee all of its right, title, and interest in and to its assets used in its Maid Brigade Franchised Business set forth in the Franchise Agreement.

12. Execution. This Assignment shall not be effective until executed and delivered by Franchisor.

13. Notices. All notices, requests, demands, or other communications to be delivered to the parties hereto shall be delivered in the same manner as described in the Franchise Agreement, with the Assignee's address for service as set forth in the caption of this Assignment.

14. Acknowledgment. Assignee acknowledges that it has received a copy of the Franchise Agreement and is familiar with, and agrees to abide by, the obligations on, and covenants of, Franchisee as set forth therein.

15. Relationship Between Agreements. If there is any conflict between the provisions of this Assignment and the Franchise Agreement, the provisions of this Assignment shall prevail.

16. Time. Time shall be of the essence in this Assignment.

17. Governing Law. This Assignment shall be governed by and construed in accordance with the internal laws of the State of Arizona, without reference to its choice of law principles.

18. Successors and Assigns. This Assignment shall inure to the benefit of Franchisor and its successors and assigns, and shall be binding on Franchisee, Assignee and their respective permitted successors, assigns, and legal representatives.

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

**FRANCHISOR:**

MB FRANCHISE HOLDINGS, INC.

**FRANCHISEE:**

\_\_\_\_\_

(Signature)

By: \_\_\_\_\_

\_\_\_\_\_

Raychel Leong-Sullins

(Print Name)

Its: President

**ASSIGNEE:**

By: \_\_\_\_\_

Its: \_\_\_\_\_

**EXHIBIT D**  
**MB FRANCHISE HOLDINGS, INC. DISCLOSURE DOCUMENT**  
**FINANCIAL STATEMENTS**

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# EHC Holding Company, LLC and Subsidiaries

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**Consolidated Financial Report  
December 31, 2024**

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## **Independent Auditor's Report**

To the Board of Directors  
EHC Holding Company, LLC and Subsidiaries

### **Opinion**

We have audited the consolidated financial statements of EHC Holding Company, LLC and Subsidiaries (the "Company"), which comprise the consolidated balance sheet as of December 31, 2024 and the related consolidated statements of operations, members' equity, and cash flows for the year 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 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the 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 issued or available to be issued.

### **Auditor's Responsibilities for the Audit 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.

To the Board of Directors  
EHC Holding Company, LLC and Subsidiaries

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.

*Plante & Moran, PLLC*

March 25, 2025, except for the subsequent events disclosure included in Note 2, as to which the date is August 5, 2025

## EHC Holding Company, LLC and Subsidiaries

# Consolidated Balance Sheet

December 31, 2024

<b>Assets</b>	
<b>Current Assets</b>	
Cash	\$ 7,200,071
Accounts receivable - Net	2,685,757
Inventory	47,090
Prepaid expenses and other current assets	<u>1,032,791</u>
Total current assets	10,965,709
<b>Property and Equipment - Net</b>	2,069,949
<b>Operating Lease Right-of-use Assets - Net</b>	792,487
<b>Goodwill - Net</b>	52,665,564
<b>Intangible Assets - Net</b>	28,380,024
<b>Other Assets</b>	
Deferred commission costs - Net of current portion	5,332,257
Other noncurrent assets	<u>489,961</u>
Total other assets	<u>5,822,218</u>
Total assets	<u><b>\$ 100,695,951</b></u>
<b>Liabilities and Members' Equity</b>	
<b>Current Liabilities</b>	
Accounts payable	\$ 868,428
Current portion of operating lease liabilities	212,365
Deferred franchise fees	3,010,287
Other current liabilities:	
Accrued compensation	596,645
Other accrued liabilities	<u>1,279,257</u>
Total current liabilities	5,966,982
<b>Operating Lease Liabilities - Net of current portion</b>	603,246
<b>Deferred Franchise Fees - Net of current portion</b>	<u>16,498,710</u>
Total liabilities	23,068,938
<b>Members' Equity</b>	<u>77,627,013</u>
Total liabilities and members' equity	<u><b>\$ 100,695,951</b></u>

## **EHC Holding Company, LLC and Subsidiaries**

# **Consolidated Statement of Operations**

**Year Ended December 31, 2024**

<b>Net Revenue</b>	
Royalty fees	\$ 9,732,577
Initial franchise fees	4,547,181
National brand fund fees	2,706,984
Service fees	7,467,150
Other	<u>1,283,105</u>
Total net revenue	25,736,997
<b>Operating Expenses</b>	<u>32,452,294</u>
<b>Consolidated Net Loss</b>	<b><u><u>\$ (6,715,297)</u></u></b>

**EHC Holding Company, LLC and Subsidiaries**

**Consolidated Statement of Members' Equity**

**Year Ended December 31, 2024**

<b>Balance</b> - January 1, 2024	\$ 84,342,310
Consolidated net loss	<u>(6,715,297)</u>
<b>Balance</b> - December 31, 2024	<u><b>\$ 77,627,013</b></u>

## EHC Holding Company, LLC and Subsidiaries

# Consolidated Statement of Cash Flows

Year Ended December 31, 2024

### Cash Flows from Operating Activities

Consolidated net loss	\$ (6,715,297)
Adjustments to reconcile consolidated net loss to net cash from operating activities:	
Depreciation and amortization	9,997,566
Noncash lease expense	16,064
Bad debt expense	219,820
Changes in operating assets and liabilities that (used) provided cash:	
Accounts receivable	(955,312)
Prepaid expenses and other assets	(980,991)
Deferred commission costs	(3,364,692)
Accounts payable and other accrued liabilities	807,195
Deferred franchise fees	606,768
	<hr/>
Net cash used in operating activities	(368,879)
<b>Cash Flows Used in Investing Activities - Purchase of property and equipment</b>	<hr/> <b>(689,514)</b>
<b>Net Decrease in Cash</b>	<b>(1,058,393)</b>
<b>Cash - Beginning of year</b>	<hr/> <b>8,258,464</b>
<b>Cash - End of year</b>	<hr/> <b>\$ 7,200,071</b> <hr/>

December 31, 2024

### Note 1 - Nature of Business

EHC Holding Company, LLC and Subsidiaries (the "Company") includes its wholly owned subsidiaries, Evive Brands, LLC (Evive); Executive Home Care Franchising, LLC (EHC); ALL Franchising, LLC (ALL); ALL Licensing, LLC (Licensing); B&P Burke, LLC (Grasons); Brothers Parsons Franchising, LLC (Brothers); Brothers Parsons HV, LLC (BPHV); and Brothers Parsons IP, LLC (BPIP).

EHC is a franchisor that provides home care services to the elderly, physically handicapped, and injured, allowing them to live at home. EHC began operations in 2004.

ALL is a franchisor that provides senior care placement and referral service for in-home companion care, independent retirement options, assisted living, memory care, and skilled nursing facilities. ALL began operations in 2006 and provides services nationwide. Licensing is an operating company that owns the intellectual property used by ALL.

Grasons is a franchisor that provides services for estate sales and business liquidation services and was established in 2011.

Brothers is a franchisor that provides services associated with gutter installation, repair, and maintenance. BPIP is an operating company that owns the intellectual property used by Brothers. BPHV operates a Brothers franchise.

### Note 2 - Significant Accounting Policies

#### ***Basis of Accounting***

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The Company has elected to adopt certain accounting alternatives for private companies developed by the Private Company Council, including the alternative for accounting for goodwill and intangibles.

#### ***Principles of Consolidation***

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

#### ***Accounts Receivable***

Trade accounts receivable are stated at invoice amounts. An allowance for credit losses is established for amounts expected to be uncollectible over the contractual life of the receivables. At December 31, 2024, the Company had recorded an allowance for credit losses in the amount of \$131,037. The Company evaluates the collectibility of its accounts receivable and determines the appropriate allowance for expected credit losses based on a combination of factors, including the aging of the receivables, historical collection trends, and charge-offs, and includes adjustments for current economic conditions and reasonable and supportable forecasts. When the Company is aware of a franchisee or customer's inability to meet its financial obligation, the Company may individually evaluate the related receivable to determine the allowance for expected credit losses. Uncollectible amounts are written off against the allowance for credit losses in the period they are determined to be uncollectible. Recoveries of amounts previously written off are recognized when received. The net accounts receivable balance as of January 1, 2024 was \$1,950,265.

#### ***Property and Equipment***

Property and equipment are recorded at cost. Depreciation and amortization are computed using the straight-line method. Assets are depreciated over their estimated useful lives, which range from 3 to 10 years. The cost of leasehold improvements is depreciated (amortized) over the lesser of the length of the related leases or the estimated useful lives of the assets. Costs of maintenance and repairs are charged to expense when incurred.

**Note 2 - Significant Accounting Policies (Continued)**

***Capitalized Software Costs***

The Company capitalizes significant costs incurred in the acquisition or development of software for internal use, including the costs of the software, materials, consultants, interest, payroll, and payroll-related costs for employees incurred in developing internal-use computer software, once final selection of the software is made. Costs incurred prior to the final selection of software and costs not qualifying for capitalization are charged to expense. Capitalized software amortization expense was approximately \$203,000 in 2024. The net book value of capitalized software costs included in property and equipment at December 31, 2024 was approximately \$1,032,000. The estimated useful life of the capitalized software is five years.

***Leases***

The Company has operating leases for corporate office space. The Company recognizes expense for operating leases on a straight-line basis over the lease term. The Company made a policy election not to separate lease and nonlease components for all operating leases. Therefore, all payments are included in the calculation of the right-of-use asset and lease liability.

The Company has an operating lease with a lease term of one year or less that the Company elected to account for as a short-term lease. As this lease is a short-term lease, it is not included in the right-of-use asset and lease liability. Total expense related to short-term leases is *de minimis*.

The Company elected to use the risk-free rate as the discount rate for calculating the right-of-use asset and lease liability in place of the incremental borrowing rate for all operating leases.

***Intangible Assets***

Acquired intangible assets subject to amortization are stated at cost and are amortized using the straight-line method over the estimated useful lives of the assets, which range from 5 to 14 years. Intangible assets that are subject to amortization are reviewed for potential impairment whenever events or circumstances indicate that carrying amounts may not be recoverable. Assets not subject to amortization are tested for impairment at least annually.

The Company has elected to apply the private company accounting alternative for intangible assets acquired in a business combination developed by the Private Company Council. Under the accounting alternative, certain acquired customer-related intangible assets and noncompetition agreements are not separately recognized apart from goodwill.

***Goodwill***

The recorded amounts of goodwill from prior business combinations are based on management's best estimates of the fair values of assets acquired and liabilities assumed at the date of acquisition.

The Company has elected to apply the private company accounting alternative for goodwill developed by the Private Company Council. Under the accounting alternative, goodwill is amortized on a straight-line basis over a 10-year period. Additionally, goodwill is assessed for potential impairment if events occur or circumstances change that indicate the fair value of the Company may be less than its carrying value. The Company has elected to test goodwill for impairment at the entitywide level.

No impairment charge was recognized during the year ended December 31, 2024.

**Note 2 - Significant Accounting Policies (Continued)**

***Revenue Recognition***

The Company's franchise agreements include (a) the right to use its symbolic intellectual property over the term of each franchise agreement (typically 10 years); (b) preopening services, such as training; (c) ongoing services, such as management of the national brand fund contributions and support services for the franchisees; and (d) for certain subsidiaries, a license to use the Company's internal-use software, which is hosted on the Company's software as a service (SaaS) platform. These promises are highly dependent upon and interrelated with the franchise right granted in the franchise agreement, so they are not considered to be individually distinct and, therefore, are accounted for as a single performance obligation. The performance obligation under the franchise agreement is the promise to provide daily access to the symbolic intellectual property over the term of each franchise agreement, which is a series of distinct services that represents a single performance obligation. Although the franchisor's underlying activities associated with the symbolic intellectual property will vary both within a day and day to day, the symbolic intellectual property is accessed over time and the customer (the franchisee) simultaneously receives and consumes the benefit from the franchisor's performance of providing access to the symbolic intellectual property (including other related activities). Revenue earned from providing these services is identified as royalty fees, initial franchise fees, and national brand fund fees on the accompanying consolidated statement of operations.

The Company also operates a franchise location. The revenue for this consists of revenue recognized at a point in time as the service is completed. This revenue is identified as service fees on the accompanying consolidated statement of operations.

**Payment Terms**

Initial franchise fees are due and typically paid when a franchise agreement is executed and are nonrefundable. These fees are collected prior to the satisfaction of the Company's performance obligations, resulting in the Company recognizing deferred revenue contract liabilities. The portion of contract liabilities that is expected to be recognized as revenue within one year is classified as current on the consolidated balance sheet. Deferred initial franchise fees as of January 1, 2024 equaled \$18,902,229. Initial franchise fees are also received pursuant to area development agreements, which grant the right to develop franchised territories in future periods in specific geographic areas. Royalties and advertising fees are paid on a monthly basis based upon a percentage of franchisee gross sales. Technology fees are paid on a monthly basis based upon a fixed amount. Service fees are due 30 days from when the service is performed.

**Allocating the Transaction Price**

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for providing franchisees with the franchise rights to service customers. To determine the transaction price, the Company considers its customary business practices and the terms of the underlying agreement. For the purpose of determining transaction prices, the Company assumes performance obligations will be satisfied as promised in accordance with franchise agreements and that the agreements will not be canceled, renewed, or modified.

The Company's franchise agreements with franchisees have transaction prices that contain a fixed and variable component. Variable consideration includes revenue related to royalties and advertising fees, as the transaction price is based on the franchisees' sales. The variable consideration is recognized based on the actual amounts incurred each month.

**Costs to Obtain a Franchise Agreement**

The Company incurs commission costs to obtain franchise agreements with franchisees. The commissions are related to franchise fee revenue, which is recognized over time. As a result, the commission costs are capitalized as deferred commission costs and are expensed over the term of the respective franchise agreement, which is determined to be the period of benefit.

**Notes to Consolidated Financial Statements****December 31, 2024****Note 2 - Significant Accounting Policies (Continued)*****Advertising Expense***

In accordance with the Company's franchise agreements, franchisees pay a percentage of monthly sales to an advertising fund to be used for advertising, marketing, and other promotional purposes. Advertising expense is charged to income during the year in which it is incurred. Advertising expense for 2024 was \$3,755,611.

***Income Taxes***

The Company is treated as a partnership for federal income tax purposes. Consequently, federal income taxes are not payable or provided for by the Company. Members are taxed individually on their pro rata ownership share of the Company's earnings. The Company's net income or loss is allocated among the members in accordance with the Company's operating agreement.

***Concentrations of Credit Risk***

The Company maintains cash in bank deposit accounts that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts.

***Use of Estimates***

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

***Subsequent Events***

The consolidated financial statements and related disclosures include evaluation of events up through and including August 5, 2025, which is the date the financial statements were available to be issued.

On May 30, 2025, the Company entered into a share purchase agreement to acquire the outstanding shares of MB Franchise Holdings, Inc. in a business acquisition accounted for as a business combination. The purchase price at the date of closing was approximately \$17,850,000, which was paid in cash. The cash was funded by an equity contribution from the majority member of \$19,700,000. As of the date the consolidated financial statements were available to be issued, the purchase price allocation has not been completed.

**Note 3 - Property and Equipment**

Property and equipment are summarized as follows:

Machinery and equipment	\$	224,961
Vehicles		281,658
Furniture and fixtures		140,755
Computer equipment and software		1,678,755
Leasehold improvements		251,913
		<hr/>
Total cost		2,578,042
		<hr/>
Accumulated depreciation		508,093
		<hr/>
Net property and equipment	\$	<u>2,069,949</u>

Depreciation expense was \$328,825 for the year ended December 31, 2024.

**Notes to Consolidated Financial Statements**

**December 31, 2024**

**Note 4 - Intangible Assets and Goodwill**

Intangible assets and goodwill of the Company at December 31, 2024 are summarized as follows:

	<u>Gross Carrying Amount</u>	<u>Accumulated Amortization</u>
Amortized intangible assets and goodwill:		
Franchise agreements	\$ 24,937,000	\$ 3,205,115
Trade names	7,131,232	934,157
Developed technology	807,674	356,610
Goodwill	<u>62,057,306</u>	<u>9,391,742</u>
Total amortized intangible assets and goodwill	<u>\$ 94,933,212</u>	<u>\$ 13,887,624</u>

Amortization expense for intangible assets and goodwill totaled \$9,668,741 for the year ended December 31, 2024.

Estimated amortization expense for the years ending December 31 is as follows:

<u>Years Ending</u>	<u>Amount</u>
2025	\$ 9,515,106
2026	9,515,106
2027	9,515,106
2028	9,515,106
2029	9,515,106
Thereafter	<u>33,470,058</u>
Total	<u>\$ 81,045,588</u>

**Note 5 - Leases**

The Company leases three offices under operating lease agreements that have an initial term of three to six years. Some leases include one or more options to exercise renewal terms that can extend the lease term at the Company's sole discretion. In addition, some leases contain rights to terminate whereby those termination options are held by the Company, the lessor, or both parties. These options to extend or terminate the lease are included in the lease terms only when it is reasonably certain that the Company will exercise that option. The Company's leases generally do not contain any material restrictive covenants.

**Notes to Consolidated Financial Statements**

**December 31, 2024**

**Note 5 - Leases (Continued)**

Future minimum annual commitments under these operating leases are as follows:

Years Ending December 31	Amount	
2025	\$ 230,942	
2026	228,719	
2027	203,733	
2028	139,664	
2029	<u>53,632</u>	
Total	856,690	
Less amount representing interest	<u>41,079</u>	
Present value of net minimum lease payments	815,611	
Less current obligations	<u>212,365</u>	
Long-term obligations under leases	<u>\$ 603,246</u>	
Lease cost - Operating lease cost		\$ 235,997
Other information:		
Cash paid for amounts included in the measurement of lease liabilities - Operating cash flows from operating leases		\$ 222,245
Weighted-average remaining lease term (years) - Operating leases		3.7
Weighted-average discount rate - Operating leases		2.6 %

**Note 6 - Related Party Transactions**

The majority member charges the Company for financial and management services under a management services agreement for reimbursement of reasonable direct expenses, which is included in operating expenses on the accompanying consolidated statement of operations. The total expense for the year ended December 31, 2024 is \$701,563.

**Note 7 - Members' Equity**

Class A units have voting rights on all matters requiring the consent, approval, or vote of the members. The Class A units receive preference on distributions. There were 1,000,000 units authorized and 109,546 units issued and outstanding as of December 31, 2024.

Class B units do not have voting rights and are issued to designated management employees of the Company without any corresponding capital contribution. The holders of these units are entitled to share in the appreciation of the Company's assets that occur subsequent to the date of grant. The Class B units are dilutive to the participating preferred units. There were 1,000,000 units authorized and no units issued or outstanding as of December 31, 2024.

**Notes to Consolidated Financial Statements**

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**December 31, 2024**

**Note 7 - Members' Equity (Continued)**

As defined in the EHC Holding Company, LLC Amended and Restated Limited Liability Company Agreement, a deferred unit provides the right to be issued a Class B unit prior to a significant sale, assuming the fair market value of the Company exceeds the threshold amount, as defined in the Deferred Unit Agreements. The deferred units are time-vesting units that generally vest one-seventh each continuous year of service, becoming fully vested on the seventh anniversary of the grant date. These units allow for accelerated vesting upon the occurrence of a significant sale. As of December 31, 2024, there were 3,803 deferred units issued, 2,540 deferred units outstanding, and 502 deferred units vested. No compensation expense was recognized during 2024, as the fair value of the units is *de minimis*.

# **EHC Holding Company, LLC and Subsidiaries**

Consolidated Financial Report  
December 31, 2023

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RSM US LLP

## Independent Auditor's Report

Board of Directors  
EHC Holding Company, LLC and Subsidiaries

### Opinion

We have audited the consolidated financial statements of EHC Holding Company, LLC and its subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, the related consolidated statements of operations, changes in members' equity, and cash flows for the years ended December 31, 2023 and 2022, and the related notes to the consolidated financial statements (collectively, the financial statements).

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

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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 Financial Statements

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if 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 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 Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

*RSM US LLP*

Detroit, Michigan  
April 18, 2024

**EHC Holding Company, LLC and Subsidiaries**

**Consolidated Balance Sheets  
December 31, 2023 and 2022**

	2023	2022
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 8,258,464	\$ 7,906,497
Accounts receivable, net allowance for credit losses	1,950,265	595,028
Inventory	47,089	-
Prepaid expenses and other current assets	490,729	146,386
<b>Total current assets</b>	<b>10,746,547</b>	<b>8,647,911</b>
Property, plant, and equipment, net	2,039,654	1,671
Other assets:		
Operating lease right-of-use assets, net	1,025,134	121,846
Goodwill, net	48,652,991	16,450,078
Intangibles, net	31,456,699	5,157,183
Other assets	129,180	131,896
Contract costs	12,163,663	1,865,412
<b>Total other assets</b>	<b>93,427,667</b>	<b>23,726,415</b>
<b>Total assets</b>	<b>\$ 106,213,868</b>	<b>\$ 32,375,997</b>
<b>Liabilities and Members' Equity</b>		
Current liabilities:		
Accounts payable	\$ 972,368	\$ 391,621
Accrued expenses	964,767	1,230,707
Current portion of deferred franchise fees	2,422,957	422,746
Current portion operating lease liabilities	198,150	29,701
<b>Total current liabilities</b>	<b>4,558,242</b>	<b>2,074,775</b>
Deferred franchise fees, net of current portion	16,479,272	4,869,898
Operating lease liability, net of current portion	834,044	95,071
	<b>17,313,316</b>	<b>4,964,969</b>
<b>Total liabilities</b>	<b>21,871,558</b>	<b>7,039,744</b>
Members' equity	84,342,310	25,336,253
<b>Total liabilities and members' equity</b>	<b>\$ 106,213,868</b>	<b>\$ 32,375,997</b>

See notes to consolidated financial statements.

**EHC Holding Company, LLC and Subsidiaries**

**Consolidated Statements of Operations  
Years Ended December 31, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
Revenues:		
Franchise fee revenue	<b>\$ 6,507,714</b>	\$ 2,171,527
Support services	<b>666,668</b>	-
<b>Total revenues</b>	<b>7,174,382</b>	<b>2,171,527</b>
Operating expenses:		
Cost of services	<b>306,538</b>	-
General and administrative expenses	<b>5,531,685</b>	2,986,145
Payroll and benefits	<b>3,885,484</b>	1,755,242
Transaction expenses	<b>1,579,290</b>	1,502,800
Amortization and depreciation expense	<b>3,040,926</b>	919,800
Other operating expenses	<b>546,426</b>	15,406
<b>Total operating expenses</b>	<b>14,890,349</b>	<b>7,179,393</b>
<b>Net loss</b>	<b>\$ (7,715,967)</b>	<b>\$ (5,007,866)</b>

See notes to consolidated financial statements.

**EHC Holding Company, LLC and Subsidiaries**

**Consolidated Statements of Changes in Members' Equity  
Years Ended December 31, 2023 and 2022**

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Balance, January 1, 2022	\$ 7,844,119
Contributed capital	22,500,000
Net loss	<u>(5,007,866)</u>
Balance at December 31, 2022	25,336,253
Contributed capital	66,722,024
Net loss	<u>(7,715,967)</u>
<b>Balance at December 31, 2023</b>	<b><u><u>\$ 84,342,310</u></u></b>

See notes to consolidated financial statements.

**EHC Holding Company, LLC and Subsidiaries**

**Consolidated Statements of Cash Flows**  
**Years Ended December 31, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
Cash flows from operating activities:		
Net loss	\$ (7,715,967)	\$ (5,007,866)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	3,040,926	919,800
Changes in assets and liabilities, net of acquisitions:		
Accounts receivable	146,847	(453,957)
Prepaid expenses and other current assets	(235,413)	(44,821)
Other assets	2,716	(6,575)
Contract costs	(1,143,324)	(117,661)
Accounts payable and accrued expenses	(538,706)	142,018
Deferred franchise fees	1,532,134	300,099
Operating lease assets and liabilities	95,605	2,926
<b>Net cash used in operating activities</b>	<b>(4,815,182)</b>	<b>(4,266,037)</b>
Cash flows from investing activities:		
Acquisition of businesses, net of cash acquired	(46,199,803)	(13,055,236)
Purchase of intangible assets	-	(40,512)
Purchase of property and equipment	(1,355,072)	(1,270)
<b>Net cash used in investing activities</b>	<b>(47,554,875)</b>	<b>(13,097,018)</b>
Cash flows from financing activities:		
Proceeds from capital contributions	52,722,024	20,000,000
<b>Net cash provided by financing activities</b>	<b>52,722,024</b>	<b>20,000,000</b>
<b>Net increase in cash and cash equivalents</b>	<b>351,967</b>	<b>2,636,945</b>
Cash and cash equivalents, beginning	7,906,497	5,269,552
Cash and cash equivalents, ending	<b>\$ 8,258,464</b>	<b>\$ 7,906,497</b>

(Continued)

**EHC Holding Company, LLC and Subsidiaries**

**Consolidated Statements of Cash Flows (Continued)**  
**Years Ended December 31, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
Supplemental schedule of noncash operating, investing and financing activities:		
Acquisition of businesses:		
Assets acquired	<b>\$ 40,044,046</b>	\$ 7,257,883
Liabilities assumed	<b>(13,661,493)</b>	(5,078,960)
<b>Net identifiable assets acquired</b>	<b>26,382,553</b>	2,178,923
Goodwill	<b>34,390,411</b>	14,545,344
<b>Net assets acquired</b>	<b>60,772,964</b>	16,724,267
Less cash acquired	<b>(992,260)</b>	(620,715)
Add due from seller	<b>419,099</b>	45,924
Less contingent consideration	-	(594,240)
Less units issued as consideration	<b>(14,000,000)</b>	(2,500,000)
<b>Cash purchase price</b>	<b>\$ 46,199,803</b>	\$ 13,055,236

See notes to consolidated financial statements.

## EHC Holding Company, LLC and Subsidiaries

### Notes to Consolidated Financial Statements

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#### Note 1. Summary of Significant Accounting Policies

**Nature of business:** EHC Holding Company, LLC and Subsidiaries (the Company) through its wholly owned subsidiaries, including Executive Home Care Franchising, LLC (EH), ALL Franchising, LLC (ALL), ALL Licensing, LLC (Licensing), B&P Burke, LLC (Grasons), Brothers Franchising, LLC (Brothers), and Brothers That Just do Gutters, LLC (BG).

EH is a franchisor that provides home care services to the elderly, physically handicapped and injured, allowing them to live at home. Executive Homecare began operations in 2004.

ALL is a franchisor that provides senior care placement and referral service for in-home companion care, independent retirement options, assisted living, memory care, and skilled nursing facilities. Assisted Living Locators began operations in 2006 and provides services nationwide.

Licensing is an operating company that owns technology used by ALL.

Grasons is a franchisor that provides services for estate sales and business liquidation services. Grasons was established in 2011 and conducts operations from its principal office in California.

Brothers is a franchisor that provides services associated with gutter instillation, repair, and maintenance.

BG operates a Brothers franchise.

#### Significant accounting policies:

**Basis of presentation:** The consolidated balance sheets is presented as of December 31, 2023 and 2022. The consolidated statements of operations, changes in members' equity, and cash flows are presented for the years ended of December 31, 2023 and 2022. The accompanying consolidated financial statements of the Company include its wholly owned subsidiaries.

All intercompany transactions have been eliminated. The accompanying consolidated financial statements have been prepared in accordance with accounting standards set by the Financial Accounting Standards Board (FASB). The FASB sets accounting principles generally accepted in the United States of America (U.S. GAAP) that the Company follows to ensure its financial condition, results of operations, and cash flows are consistently reported. References to U.S. GAAP issued by the FASB in these notes to the consolidated financial statements are to the FASB Accounting Standards Codification (ASC).

**Revenue recognition policy:** The Company recognizes revenue in accordance with ASC 606, Revenue from Contracts with Customers, which provides a five-step model for recognizing revenue from contracts with customers as follows: identify the contract with a customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to the performance obligations in the contract, and recognize revenue when or as performance obligations are satisfied.

## EHC Holding Company, LLC and Subsidiaries

### Notes to Consolidated Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

*Nature of services* - The Company's franchise agreements include (a) the right to use its symbolic intellectual property over the term of each franchise agreement, (b) preopening services, such as training, (c) ongoing services, such as management of the national brand fund contributions and support services for the franchisees and (d) for certain subsidiaries, a license to use the Company's internal-use software, which is hosted on the Company's software as a service (SaaS) platform. These promises are highly dependent upon and interrelated with the franchise right granted in the franchise agreement, so they are not considered to be individually distinct and therefore are accounted for as a single performance obligation. The performance obligation under the franchise agreement is the promise to provide daily access to the symbolic intellectual property over the term of each franchise agreement, which is a series of distinct services that represents a single performance obligation. Although the franchisor's underlying activities associated with the symbolic intellectual property will vary both within a day and day to day, the symbolic intellectual property is accessed over time and the customer (the franchisee) simultaneously receives and consumes the benefit from the franchisor's performance of providing access to the symbolic intellectual property (including other related activities). Revenue earned from providing the services is collectively referred to as franchise fee revenue.

The Company's franchise fee revenue includes franchise royalties, franchise fees, advertising fund contributions and support services performed for franchisees. Initial franchise fees are based on the market type selected and are paid at the time an individual franchise agreement is signed.

The Company also operates a franchise location. The revenue for this consists of revenue recognized at a point in time as the service is completed.

*Payment terms* - The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods and services to the customer. Agreements may include initial and renewal franchise fees, sales-based royalties, and fees for administrative services performed for the franchisee.

The Company believes its franchising agreements do not contain a significant financing component because (a) the timing of the upfront payment does not arise for the reason of provision of financing to the Company and (b) the sales-based royalty is variable and based on factors outside the Company or the franchisee's control.

*Revenue recognition* - Initial and renewal franchise fees are recognized as revenue on a straight-line basis over the term of the respective agreement beginning when the agreement is signed. Franchise agreements typically have a term of 10 years with the option to renew for an additional five years if the franchisee is in compliance with the terms of the franchise agreement.

Continuing royalties are calculated as a percentage of franchisees' reported sales that are related entirely to the Company's performance obligation under the franchise agreement. These royalties are considered variable consideration, but because they relate to a license of intellectual property, they are not included in the transaction price. Instead, royalty revenue is recognized as franchisee sales occur. Advertising contributions received from the Company's franchisees are recorded as a component of franchise fee revenue in the consolidated statements of operations.

*Contract balances* - The Company records accounts receivable when it has the unconditional right to issue an invoice and receive payment, regardless of whether revenue has been recognized. If revenue has not yet been recognized, a contract liability (deferred franchise fees) also is recorded. Revenue is recognized on a straight-line basis over the life of the franchise agreement.

## EHC Holding Company, LLC and Subsidiaries

### Notes to Consolidated Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

**Commission costs** - The Company defers those direct and incremental costs associated with the sale of franchises. Contract costs are charged to earnings when the related deferred franchise and territory fees are recognized as revenue over the term of the respective agreement. The Company has determined the period of benefit for direct and incremental costs associated with the sale of franchises to be the initial term of the franchise agreement. Expense is recognized on a straight-line basis commensurate with the pattern of revenue recognition. Contract costs are recorded in other assets in the accompanying consolidated balance sheets.

**Advertising funds** - The Company collects funds from its franchisees for advertising pursuant to the Company's franchise agreements at a percentage of franchisee sales. These advertising services are not considered distinct because they are highly dependent and interrelated to the franchise right. Advertising contributions are considered part of the transaction price for the franchise right and recognized as revenue as the underlying sales occur. The advertising costs incurred for franchisees will be expensed in accordance with the Company's normal policy.

**Cash and cash equivalents:** The Company considers all short-term, highly liquid investments with original maturities of 90 days or less to be cash and cash equivalents. Cash equivalents consist of money market accounts.

**Accounts receivable:** Accounts receivables represent amounts due from franchisees pursuant to their individual franchise agreements. Accounts receivables are stated at historical value which approximates fair value. The allowance for credit losses on accounts receivables represents the Company's estimate of expected credit losses over the lifetime of the receivables. This estimation process is based on historical experience, current conditions, asset-specific risk characteristics and reasonable and supportable forecasts about future economic and market conditions. Accounts receivables are written off when deemed uncollectible. Recoveries of royalty receivables previously written off are recorded when received. The allowance for credit loss was approximately \$144,000 and \$37,000 for the years ended December 31, 2023 and 2022, respectively. The Company will continue to monitor and evaluate the adequacy of the allowance for credit losses on accounts receivable on a regular basis and make adjustments as necessary in response to changes in economic conditions and credit quality indicators.

The Company adopted Accounting Standards Update (ASU) 2016-13, *Financial Instruments—Credit Losses (Topic 326)*, on January 1, 2023. This accounting standard requires companies to measure expected credit losses on financial instruments based on the total estimated amount to be collected over the lifetime of the instruments which would include accounts receivables. Prior to the adoption of this accounting standard, the Company recorded incurred loss reserves against account receivable balances based on current and historical information. The adoption of this ASU did not have a material effect on the Company's financial statements.

**Concentration of credit risk:** The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. The Company maintains its cash and cash equivalents in bank deposit accounts, which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents. The Company grants credit to its franchisees and customers. Consequently, the Company's ability to collect the amounts due from franchisees and customers is affected by economic fluctuations. The Company routinely assesses the financial strength of its franchisees and customers and believes that its accounts receivable credit risk exposure is limited.

## EHC Holding Company, LLC and Subsidiaries

### Notes to Consolidated Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

**Software development costs:** Costs for software developed for internal use are accounted for in accordance with ASC 350, Intangibles—Goodwill and Other - Internal-Use Software. ASC 350 requires the capitalization of certain costs incurred in connection with developing or obtaining internal-use software. In accordance with ASC 350, the Company expenses costs incurred in the preliminary project stage of developing or acquiring internal use software, such as research and feasibility studies, as well as costs incurred in the post-implementation/operational stage, such as maintenance and training. Capitalization of software development costs occurs only after the preliminary project stage is complete, management authorizes the project, and it is probable that the project will be completed and the software will be used for the function intended. Costs associated with the purchase and development of computer software are capitalized and amortized on a straight-line basis over the estimated useful life of the related asset. Software development costs are recorded in property and equipment in the accompanying consolidated balance sheets. The Company capitalized software development costs of approximately \$1,271,000 and \$0 for the years ended December 31, 2023 and 2022, respectively.

**Property and equipment:** Property and equipment are stated at cost, net of accumulated depreciation and amortization. Expenditures for additions and improvements are capitalized while maintenance and repair expenditures are charged to operations as incurred. When assets are sold or otherwise retired from service, their cost and related accumulated depreciation and amortization are removed from the accounts and any gain or loss is included in the results of operations. Depreciation and amortization is computed using the straight-line method. Property and equipment have estimated useful lives of three to ten years. Depreciation expense for the years ended December 31, 2023 and 2022, was approximately \$98,000 and \$700, respectively.

**Goodwill and intangibles:** Goodwill is recognized for the excess of the fair value of an acquired business over the fair value of the identifiable net assets acquired. Under ASC 350, Intangibles—Goodwill and Other, the Company elected the accounting alternative to amortize goodwill on a straight-line basis over 10 years.

The Company has elected the provisions of ASU 2014-18, *Business Combinations (Topic 805): Accounting for Identifiable Intangible Assets in a Business Combination*. ASU 2014-18 specifies that a private company that elects the accounting alternative to recognize or otherwise consider the fair value of intangible assets as a result of any in-scope transactions should no longer recognize separately from goodwill: (1) customer-related intangible assets unless they are capable of being sold or licensed independently from the other assets of the business and (2) noncompetition agreements.

The Company tests its recorded goodwill for impairment upon a triggering event. Factors that could trigger an impairment test include, but are not limited to, underperformance relative to historical or projected future operating results, significant changes in the manner of use of the acquired assets or the overall business, significant negative industry or economic trends and a sustained period where market capitalization, plus an appropriate control premium, is less than member's equity. Goodwill is tested using a fair-value approach at the entity level. No indicators of impairment were identified for the years ended December 31, 2023 and 2022.

Intangible assets include franchise agreements, trade names, and developed technology. Intangible assets are amortized on a straight-line basis over their estimated useful lives, which range between five to 14 years.

## EHC Holding Company, LLC and Subsidiaries

### Notes to Consolidated Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

**Long-lived assets:** Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. If impairment is considered, recoverability of these assets is measured by a comparison of the carrying amount of the asset to estimated future undiscounted cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount of which the carrying amount of the asset exceeds the fair value of the asset. No impairment loss has been recognized by the Company as of December 31, 2023 and 2022.

**Leases:** In February 2016, the FASB issued ASC 842, Leases, to increase transparency and comparability among organizations related to their leasing arrangements. The update requires lessees to recognize most leases on their balance sheets as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. ASC 842 also requires additional disclosure of key quantitative and qualitative information for leasing arrangements. Similar to the previous lease guidance, the update retains a distinction between finance leases (similar to capital leases in ASC 840, Leases) and operating leases, with classification affecting the pattern of expense recognition in the income statement. The Company adopted ASC 842 on January 1, 2022, using the optional transition method to the modified retrospective approach, which eliminates the requirement to restate the prior-period consolidated financial statements. Under this transition provision, the Company has applied ASC 842 to reporting periods beginning on January 1, 2022, while prior periods continue to be reported and disclosed in accordance with the Company's historical accounting treatment under ASC 840, Leases.

The Company elected the package of practical expedients under the transition guidance within ASC 842, in which the Company does not reassess (1) the historical lease classification, (2) whether any existing contracts at transition are or contain leases or (3) the initial direct costs for any existing leases. The Company has not elected to adopt the hindsight practical expedient, and therefore measured the ROU asset and lease liability using the remaining portion of the lease term upon the adoption of ASC 842 on January 1, 2022.

The Company determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the Company obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Company also considers whether its service arrangements include the right to control the use of an asset.

The Company made an accounting policy election available under ASC 842 not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease (or January 1, 2022, for existing leases upon the adoption of ASC 842). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, the Company made an accounting policy election available to nonpublic companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of ASC 842).

## EHC Holding Company, LLC and Subsidiaries

### Notes to Consolidated Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

The Company has made an accounting policy election to account for lease and nonlease components in its contracts as a single lease component for its various asset classes. The nonlease components typically represent additional services transferred to the Company, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

Adoption of ASC 842 resulted in the recording of additional ROU assets and lease liabilities related to the Company's operating leases of approximately \$153,000 at January 1, 2022. The adoption of the new lease standard did not materially impact consolidated net earnings or consolidated cash flows and did not result in a cumulative-effect adjustment to the opening balance of retained earnings.

**Fair value measurements:** The Company uses the fair value measurement and disclosure guidance for all assets and liabilities that are recognized or disclosed at fair value in the consolidated financial statements. The guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Company uses various methods including market, income and cost approaches. Based on these approaches, the Company often utilizes certain assumptions that management believes market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

**Level 1:** Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that are accessible at the measurement date.

**Level 2:** Inputs to the valuation methodology include quoted prices in markets that are not active or quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

**Level 3:** Inputs to the valuation methodology are unobservable, reflecting the entity's own assumptions about assumptions market participants would use in pricing the asset or liability.

**Income taxes:** As a limited liability company, the Company is treated as a partnership for federal and state income tax purposes. As such, the taxable income of the Company is allocated in the tax returns of its members for federal and state tax purposes in accordance with their respective percentage ownership. Accordingly, no provision for federal income taxes is included in the consolidated financial statements. Entity-level, composite state and local income taxes (benefits) are accrued at the applicable rates, if any, and are included in the consolidated statements of operations.

The FASB provides guidance for how uncertain tax provisions should be recognized, measured, disclosed, and presented in the consolidated financial statements. The Company identifies its tax positions taken or expected to be taken in the course of preparing its tax returns and determines whether any tax positions are more likely than not of being sustained when challenged or when examined by the applicable tax authority. Management has determined that there are no uncertain tax positions at December 31, 2023 and 2022.

## EHC Holding Company, LLC and Subsidiaries

### Notes to Consolidated Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

**Use of estimates:** The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Subsequent events:** The Company evaluated subsequent events for potential required disclosure through April 18, 2024, which is the date the consolidated financial statements were available to be issued.

#### Note 2. Acquisition of Businesses

**Assisted Living Locators:** On August 24, 2022, the Company acquired ALL and Licensing. ALL is a franchisor and the franchises provide senior placement and referral services. Licensing is an operating company that owns technology used by ALL. As a result of the transaction, the Company gains penetration into this industry. The Company obtained control of the business by acquiring 100% of the membership interests of ALL and Licensing, therefore the acquisition was accounted for as a business combination. The results of this acquisition have been included in the consolidated financial statements since the date of the acquisition.

The acquisition was funded through cash contributions of equity.

The goodwill arising from the above acquisition is largely due to the ALL's and Licensing's fair value of certain intangible assets along with the assembled workforce subsumed into goodwill, ALL's and Licensing's presence in the marketplace and their long-term expected revenue growth. The goodwill is deductible for income tax purposes.

The following table summarizes the consideration paid and the amounts of the assets acquired, and liabilities assumed at the date of acquisition:

Consideration:

Cash	\$ 10,604,497
3,409 Class A shares of EHC Holding Company, LLC	2,500,000
Total invested capital	<u>\$ 13,104,497</u>

Recognized amount of identifiable assets acquired and liabilities assumed:

Cash	\$ 554,552
Receivables	90,587
Prepaid assets	63,265
Contract assets	1,535,871
Intangible assets	4,212,000
Other asset	20,232
Accounts payable	(198,630)
Accrued expenses and other liabilities	(246,569)
Contract liabilities	(4,004,575)
Total identifiable net assets acquired	<u>2,026,733</u>
Goodwill	<u>11,077,764</u>
	<u>\$ 13,104,497</u>

## EHC Holding Company, LLC and Subsidiaries

### Notes to Consolidated Financial Statements

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#### **Note 2. Acquisition of Businesses (Continued)**

The fair value of the 3,409 Class A Units was determined based on the value of the Company at the acquisition date, using unobservable inputs.

Transaction expenses of approximately \$1,077,000 were incurred as a result of the business combination and have been expensed by the Company and included in the consolidated statement of operations within the transaction expenses line item for the year ended December 31, 2022.

Of the \$4,212,000 of identified intangible assets, \$2,736,000 was assigned to franchise agreements, \$1,034,000 was assigned to trade name, and \$442,000 was assigned to developed technology. Each were determined to have useful lives of 10 years, 14 years and five years, respectively. The weighted-average useful life in years for the identified intangible assets in aggregate was 10.45 years. Franchise agreements, trade names, and developed technology were valued using the multiperiod excess earnings method, relief from royalty method, and cost-to-recreate method, respectively.

**Grasons:** On November 21, 2022, the Company acquired Grasons. Grasons is a franchisor and the franchises provides downsizing and estate sale services, business liquidation services, senior transition assistance, home staging, and home organization services. As a result of the transaction, the Company gains penetration into this industry. The Company obtained control of the business by acquiring 100% of the membership interests of Grasons, therefore the acquisition was accounted for as a business combination. The results of this acquisition have been included in the consolidated financial statements since the date of the acquisition.

The acquisition was funded through cash contributions of equity.

The goodwill arising from the above acquisition is largely due to the Grasons' fair value of certain intangible assets along with the assembled workforce subsumed into goodwill, Grasons' presence in the marketplace and its long-term expected revenue growth. The goodwill is deductible for income tax purposes.

The following table summarizes the consideration paid and the amounts of the assets acquired, and liabilities assumed at the date of acquisition:

## EHC Holding Company, LLC and Subsidiaries

### Notes to Consolidated Financial Statements

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#### Note 2. Acquisition of Businesses (Continued)

Consideration:	
Cash	\$ 3,071,454
Contingent consideration	594,240
Due from seller	(45,924)
Total invested capital	<u>\$ 3,619,770</u>
Recognized amount of identifiable assets acquired and liabilities assumed:	
Cash	\$ 66,163
Accounts receivable	25,255
Other current assets	12,508
Deposits	1,450
Intangible assets	676,000
Accounts payable	(792)
Accrued expenses and other liabilities	(23,777)
Deferred revenue	(604,617)
Total identifiable net assets acquired	<u>152,190</u>
Goodwill	<u>3,467,580</u>
	<u>\$ 3,619,770</u>

The Company engaged an independent valuation firm to assist with the valuation of intangible assets using the relief from royalty method.

Contingent consideration in the amount of \$594,240 was recognized at the date of acquisition and is included in the balance sheet within the accrued expenses line item at December 31, 2022. The contingent consideration is based on annual royalties for the 12 months ended December 31, 2022 multiplied by an agreed upon rate. The contingent consideration was settled for approximately \$492,000 and goodwill was adjusted for approximately \$102,000 in 2023.

Transaction expenses of approximately \$404,000 were incurred as a result of the business combination and have been expensed by the Company and included in the consolidated statement of operations within the transaction expenses line item for the year ended December 31, 2022

Of the \$676,000 of identified intangible assets, \$295,000 was assigned to franchise agreements and \$381,000 was assigned to trade name. Each were determined to have useful lives of 10 years and 14 years, respectively. The weighted-average useful life in years for the identified intangible assets in aggregate was 12.25 years. Franchise agreements and trade names were valued using the multiperiod excess earnings method and relief from royalty method, respectively.

**Brothers:** on November 22, 2023, the Company acquired Brothers and BG (collectively Brothers Gutters). Brothers Gutters includes a franchisor and the franchises provide services associated with gutter installation, repair and maintenance. In addition, one franchisee was acquired. As a result of the transaction, the Company gains penetration into this industry. The Company obtained control of the business by acquiring 100% of the membership interests of Brothers Gutters, therefore the acquisition was accounted for as a business combination. The results of this acquisition have been included in the financial statements since the date of the acquisition.

The acquisition was funded through cash contributions of equity.

## EHC Holding Company, LLC and Subsidiaries

### Notes to Consolidated Financial Statements

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#### Note 2. Acquisition of Businesses (Continued)

The goodwill arising from the above acquisition is largely due to the Brothers Gutters' fair value of certain intangible assets along with the assembled workforce subsumed into goodwill, Brothers Gutters' presence in the marketplace and its long-term expected revenue growth. The goodwill is deductible for income tax purposes.

The following table summarizes the consideration paid and the amounts of the assets acquired, and liabilities assumed at the date of acquisition:

Consideration:

Cash	\$ 47,192,063
14,709 Class A shares of EHC Holding Company, LLC	14,000,000
Due from seller	(419,099)
Total purchase consideration	<u>\$ 60,772,964</u>

Fair value of identifiable assets acquired and liabilities assumed:

Cash	\$ 992,260
Accounts receivable	1,082,985
Inventory	47,089
Prepaid assets	108,930
Fixed asset	780,949
Contract assets	9,154,927
Intangible assets	27,157,000
Right-of-use asset and other assets	719,906
Accounts payable	(497,365)
Accrued expenses and other	(458,242)
Lease liabilities	(628,435)
Contract liabilities	(12,077,451)
Total identifiable net assets acquired	<u>26,382,553</u>
Goodwill	<u>34,390,411</u>
	<u>\$ 60,772,964</u>

The fair value of the 14,709 Class A Units was determined based on the value of the Company at the acquisition date, using unobservable inputs.

The primary area of the preliminary valuation that is not yet finalized relates to the on-going negotiation with the Company and the seller on the working capital adjustment. An estimate of \$419,099 was recorded at December 31, 2023.

Transaction expenses of approximately \$1,579,000 were incurred as a result of the business combination and have been expensed by the Company and included in the statement of operations within the transaction expenses line item for the year ended December 31, 2023.

Of the \$27,157,000 of identified intangible assets, \$21,578,000 was assigned to franchise agreements and \$5,579,000 was assigned to trade name. Each were determined to have useful lives of 10 years and 14 years, respectively. The weighted-average useful life in years for the identified intangible assets in aggregate was 10.8 years. Franchise agreements and trade names were valued using the multi-period excess earnings method and relief from royalty method, respectively.

## EHC Holding Company, LLC and Subsidiaries

### Notes to Consolidated Financial Statements

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#### Note 3. Property and Equipment

Property and equipment is summarized as follows:

	2023	2022
Furniture and fixtures	\$ 386,373	\$ 2,367
Computer equipment and software	1,450,561	-
Equipment	50,890	-
Leasehold improvements	250,564	-
Total property and equipment	<u>2,138,388</u>	<u>2,367</u>
Less accumulated depreciation and amortization	(98,734)	(696)
Property and equipment, net	<u>\$ 2,039,654</u>	<u>\$ 1,671</u>

#### Note 4. Intangible Assets and Goodwill

Following is a summary of intangible assets:

	December 31, 2023		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Franchise agreements	\$ 24,937,000	\$ 711,414	\$ 24,225,586
Trade names	7,126,000	248,785	6,877,215
Developed technology	482,512	128,614	353,898
	<u>\$ 32,545,512</u>	<u>\$ 1,088,813</u>	<u>\$ 31,456,699</u>
Goodwill	<u>\$ 51,475,640</u>	<u>\$ 2,822,649</u>	<u>\$ 48,652,991</u>
	December 31, 2022		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Franchise agreements	\$ 3,359,000	\$ 139,043	\$ 3,219,957
Trade names	1,547,000	60,174	1,486,826
Developed technology	482,512	32,112	450,400
	<u>\$ 5,388,512</u>	<u>\$ 231,329</u>	<u>\$ 5,157,183</u>
Goodwill	<u>\$ 17,187,323</u>	<u>\$ 737,245</u>	<u>\$ 16,450,078</u>

## EHC Holding Company, LLC and Subsidiaries

### Notes to Consolidated Financial Statements

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#### Note 4. Intangible Assets and Goodwill (Continued)

The change in the carrying value of goodwill for the year ended December 31, 2023 and 2022, is as follows:

Balance at December 31, 2021	\$ 2,602,433
Additions of goodwill	14,545,344
Amortization expense	(697,699)
Balance at December 31, 2022	<u>\$ 16,450,078</u>
Additions of goodwill	34,390,411
Reduction of contingent consideration	(102,094)
Amortization expense	(2,085,404)
Balance at December 31, 2023	<u><u>\$ 48,652,991</u></u>

Amortization expense recognized on intangible assets and goodwill totaled approximately \$2,943,000 and \$919,000 as of December 31, 2023 and 2022, respectively.

The future estimated aggregate amortization expense for intangibles and goodwill is as follows for each of the next five years ending December 31:

	<u>Goodwill</u>	<u>Intangibles</u>
Years ending December 31:		
2024	\$ 5,147,564	\$ 3,275,574
2025	5,147,564	3,275,574
2026	5,147,564	3,275,574
2027	5,147,564	3,239,050
2028	5,147,564	3,152,671

#### Note 5. Leases

The Company leases three offices under operating lease agreements that have an initial term of 3 - 6 years. Some leases include one or more option to exercise renewal terms that can extend the lease term for more years, at the Company's sole discretion. In addition, some leases contain rights to terminate whereby those termination options are held by either the Company, the lessor, or both parties. These options to extend or terminate the lease are included in the lease terms only when it is reasonably certain that the Company will exercise that option. The Company's leases generally do not contain any material restrictive covenants.

Operating lease cost is recognized on a straight-line basis over the lease term. Lease expense is approximately \$106,000 and \$29,000 for the years ended December 31, 2023 and 2022, respectively. For the years ended December 31, 2023 and 2022, weighted average remaining on lease term is 4.7 years and 3.8 years and the weighted average discount rate is 2.64% and 1.37%, respectively.

## EHC Holding Company, LLC and Subsidiaries

### Notes to Consolidated Financial Statements

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#### Note 5. Leases (Continued)

Supplemental cash flow information related to leases is as follows for the years ended December 31, 2023 and 2022:

	2023	2022
Operating leases:		
Operating cash outflows—payments on operating leases	\$ 91,762	\$ 30,150
Right-of-use assets in exchange for new lease obligations:		
Operating leases	\$ 1,084,556	\$ -

The future minimum rentals under this lease for the years subsequent to December 31, 2023, are as follows:

Years ending December 31:		
2024		\$ 222,245
2025		230,942
2026		228,719
2027		203,733
2028		139,664
Thereafter		53,632
Total lease payments		<u>1,078,935</u>
Less imputed interest		<u>(46,741)</u>
Total present value of lease liabilities		<u>\$ 1,032,194</u>

#### Note 6. Related-Party Transactions

A company related to the Company's majority member, charges the Company for financial and management services under a management services agreement for reimbursement of reasonable direct expenses, which is included in general and administrative expenses on the accompanying consolidated statements of operations. The total expense for the years ended December 31, 2023 and 2022, is approximately \$568,000 and \$500,000, respectively.

## EHC Holding Company, LLC and Subsidiaries

### Notes to Consolidated Financial Statements

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#### Note 7. Members' Equity

Members' equity consisted of the following membership units:

	2023	
	Units Authorized	Units Issued and Outstanding
Class A Units	1,000,000	109,546
Class B Units	1,000,000	1,661

  

	2022	
	Units Authorized	Units Issued and Outstanding
Class A Units	1,000,000	39,316
Class B Units	1,000,000	823

Class A Units have voting rights on all matters requiring the consent, approval or vote of the Members. The Class A Units receive preference on distributions.

Class B Units are deferred units that do not have voting rights and have been issued to designated management employees of the Company without any corresponding capital contribution. The holders of these units are entitled to share in the appreciation of the Company's assets that occur subsequent to the date of grant. The Class B Units are dilutive to the participating preferred units. The units substantially vest upon a change in control of the Company, if still employed.

The Company has issued 2,062 and 823 units to certain management employees as of December 31, 2023 and 2022 and had 1,224 units forfeited as of December 31, 2023.

No compensation expense is recognized on the Class B units as their vesting condition is not considered probable until a change in control occurs.

#### Note 8. Phantom Stock

During 2023, the Company adopted a phantom deferred unit plan. Each share of phantom deferred unit awarded to eligible individuals represents a contractual right to receive an amount in cash equal to the fair value of the unit upon the occurrence of a significant sale. The Company has authorized 1,000,000 units and 3,286 units are outstanding at December 31, 2023. No compensation expense is recognized on the phantom stock deferred units as their vesting condition is not considered probable until a significant sale occurs.

THE FOLLOWING FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

**EHC Holding Company, LLC**  
**Balance Sheet**  
**June 30, 2025**  
**(Unaudited)**

	Month Ending <u>6/30/2025</u>
<b>Assets</b>	
Current Assets	
Cash and Cash Equivalents	4,818,159
Accounts Receivable, Net	3,830,615
Inventory	54,712
Prepaid Expenses	807,054
Other Current Assets	<u>8,295,772</u>
Total Current Assets	<u>17,806,312</u>
Fixed Assets, Net	
Fixed Assets	<u>1,354,508</u>
Total Fixed Assets, Net	<u>1,354,508</u>
Intangible Assets, Net	
Intangible Assets	16,436,820
Goodwill	74,647,954
Amortization	<u>(220,427)</u>
Total Intangible Assets, Net	<u>91,305,201</u>
Other Assets	
Other Assets	<u>3,780,442</u>
Total Other Assets	<u>3,780,442</u>
<b>Total Assets</b>	<b><u><u>\$ 114,246,464</u></u></b>
<b>Liabilities and Equity</b>	
Current Liabilities	
Accounts Payable	861,673
Accrued Liabilities	2,474,643
Accrued Taxes	43,151
Deferred Revenue	4,207,837
Other Current Liabilities	<u>520,060</u>
Total Current Liabilities	<u>8,107,363</u>
Other Liabilities	
Deferred Revenue	16,943,744
Other Liabilities	<u>630,221</u>
Total Other Liabilities	<u>17,573,965</u>
Stockholders Equity	
Member's Equity	<u>88,565,136</u>
<b>Total Liabilities and Equity</b>	<b><u><u>\$ 114,246,464</u></u></b>

**EHC Holding Company, LLC**  
**Profit and Loss**  
**For the Year Ending June 30, 2025**  
**(Unaudited)**

	Year To Date <u>6/30/2025</u>
<b>Revenue</b>	
Revenue - Licenses	1,329,543
Revenue - Services	9,789,048
Revenue - Other	<u>1,653,811</u>
Total Revenue	<u>12,772,403</u>
<b>Cost of Revenue</b>	
Cost of Goods Sold	<u>2,285,133</u>
Total Cost of Revenue	<u>2,285,133</u>
Gross Profit	<u>10,487,270</u>
<b>Operating Expenses</b>	
General and Administrative Expenses	712,633
Marketing and Advertising Expenses	2,825,844
Depreciation and Amortization Expense	4,703,331
Payroll and Related Expenses	5,303,391
Utilities and Facilities	283,568
Operating and Maintenance Expenses	1,185,218
Taxes and Insurance	<u>88,067</u>
Total Operating Expenses	<u>15,102,052</u>
<b>Other Income (Expense)</b>	
Interest Income	749
Other Income	18,018
Other Expenses	<u>(587,577)</u>
Total Other Income (Expense)	<u>(568,809)</u>
<b>Net Income (Loss)</b>	<b><u><u>\$ (5,183,592)</u></u></b>

**EXHIBIT E**

**THE MB FRANCHISE HOLDINGS, INC. DISCLOSURE DOCUMENT**

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**LIST OF  
FRANCHISEES  
AND  
FORMER FRANCHISEES**

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**EXHIBIT E-1**

**MAID BRIGADE FRANCHISEES**

**As of December 31, 2024**

	<u>Phone Number</u>	<u>Number of Franchised Territories</u>
<b><u>ALABAMA</u></b>		
Arnaud Mylle 402 Black Creek Road Birmingham, AL 35217 amylle@maidbrigade.com	205 941-6965	1
<b><u>ARIZONA</u></b>		
Gordon Zweig 1837 South Mesa Dr., Suite A101 Mesa, AZ 85210233 gzweig@maidbrigade.com	(480) 926-3288	5
Alan Walstad 15810 N Cave Creek Rd Phoenix, AZ 85032 awalstad@maidbrigade.com	(602) 493-1333	6
<b><u>CALIFORNIA</u></b>		
Stacey Raymer 16 Technology Drive. Irvine, CA 92618 sraymer@maidbrigade.com	(949) 788-0878	6

Jimmy and Christina Chick (323) 254-6240 4  
7447 N. Figueroa Street.  
Los Angeles, CA 90041  
[ichick@maidbrigade.com](mailto:ichick@maidbrigade.com); [cchick@maidbrigade.com](mailto:cchick@maidbrigade.com)

Gabie Reiter (650) 368-2105 5  
1474 Oddstad Drive  
Redwood City, CA 94063  
[gabiereiter@maidbrigade.com](mailto:gabiereiter@maidbrigade.com)

Maneesh Reddy (408) 729-0707 6  
3745 Madeline Avenue, Suite 21  
San Jose, CA 95127  
[mreddy@maidbrigade.com](mailto:mreddy@maidbrigade.com)

Dennis Dwyer (310) 539-2000 5  
25660 Crenshaw Blvd, Ste 106  
Torrance, CA 90505  
[ddwyer@maidbrigade.com](mailto:ddwyer@maidbrigade.com)

Sarah Rukavina (805) 389-3275 4  
4411 Dupont Ct. Suite 110  
Ventura, CA 93003  
[mrukavina@maidbrigade.com](mailto:mrukavina@maidbrigade.com); [srukavina@maidbrigade.com](mailto:srukavina@maidbrigade.com)

Adam Ziegleman (760) 690-3600 4  
1930 Watson Way, Suite Q  
Vista, CA 92081  
[aziegleman@maidbrigade.com](mailto:aziegleman@maidbrigade.com)

**COLORADO** (303) 287-2630 3  
Monir Moniruzzaman  
8801 Fox Dr.  
Thornton, CO 80260  
[mz@maidbrigade.com](mailto:mz@maidbrigade.com)

**CONNECTICUT**  
Brian Leary (203) 735-9988 3  
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Robin Murphy (860) 645-6243 2  
195 Adams Street  
Manchester, CT 06042  
[rmurphy@maidbrigade.com](mailto:rmurphy@maidbrigade.com)

**FLORIDA**  
J Archer (904) 886-7415 4  
3491 Pall Mall Road  
Jacksonville, FL 32257  
[fsuarez@maidbrigade.com](mailto:fsuarez@maidbrigade.com)

Emily Sarid (941) 777-1277 2  
9015 Town Center Parkway Unit 125  
Lakewood Ranch, FL 34202  
[esarid@maidbrigade.com](mailto:esarid@maidbrigade.com)

Jenni Nelson (239) 384-6775 1  
3785 Airport-Pulling Rd. Suite B2  
Naples, FL 34105  
[jnelson@maidbrigade.com](mailto:jnelson@maidbrigade.com)

Marcelo Pancher (407) 794-7471 1  
3708 S. John Young Pkwy. Suite E  
Orlando, FL 32839  
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Angelica Pinzon 561-537-1660 2  
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apinzon@maidbrigade.com

Cassandra and Mark McNiven 727-777-5804 1  
12360 66th Street N.  
Largo, FL 33773  
cmcniven@maidbrigade.com

**GEORGIA**

Renee and Scott Sherman (770)234-0034 10  
3070 Presidential Drive #242  
Atlanta, GA 30340  
[rsherman@maidbrigade.com](mailto:rsherman@maidbrigade.com) and [bbacorn@maidbrigade.com](mailto:bbacorn@maidbrigade.com)

**HAWAII**

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**IDAHO**

Russ Biaggne (208) 685-0639 2  
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Bosie, ID 83714  
morem@maidbrigade.com

**ILLINOIS**

Andris Slokenbergs (630) 830-1550 7  
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West Chicago, IL 60185  
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Chuck Willes (847) 253-2270 6  
1845 Hicks Road  
Rolling Meadows, IL 60008  
[cwilles@maidbrigade.com](mailto:cwilles@maidbrigade.com)

**INDIANA**

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5230 Madison Avenue #B  
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**MARYLAND**

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Rachel & Duane Epperly (301) 424-6243 5  
9318 Gaither Road  
Rockville, MD 20877  
repperly@maidbrigade.com

**MASSACHUSETTS**

Mary Worthington (781) 909-3900 1  
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Hanover, MA 02339  
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**MICHIGAN**

Ken and Elizabeth Whitley (586) 286-6074 2  
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Clinton Township, MI 48038  
kwhitley@maidbrigade.com

**MINNESOTA**

Quentin Ritchie (651) 686-0900 10  
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qritchie@maidbrigade.com

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Saint Louis, MO 63144  
[ecanavan@maidbrigade.com](mailto:ecanavan@maidbrigade.com)

**NEVADA**

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Quakertown, NJ 08867  
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John and Lynn Lomer (201) 664-4422 2  
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nhall@maidbrigade.com

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[jlofranco@maidbrigade.com](mailto:jlofranco@maidbrigade.com)

**NORTH CAROLINA**

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Matthews, NC 28105  
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Jordan Wallace (919) 877-1050 2  
2617 Rowland Rd  
Raleigh, NC 27615  
[jwallace@maidbrigade.com](mailto:jwallace@maidbrigade.com)

Fawzi Ali and Khalid Abualhawa (919) 289-4777 1  
101 Woodwinds Industrial Ct. Suite H  
Cary, NC  
[fali@maidbrigade.com](mailto:fali@maidbrigade.com) , [kabualhawa@maidbrigade.com](mailto:kabualhawa@maidbrigade.com)

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Mark Brands (503) 624-3935 3  
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**TENNESSEE**

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Knoxville, TN 37834  
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**TEXAS**

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Austin, TX 78758  
[ddjivani@maidbrigade.com](mailto:ddjivani@maidbrigade.com)

Keith Clem 3851 Southwest Loop # 820 Fort Worth, TX 76133 kclem@maidbrigade.com	(817) 263-9300	5
Brandon Bass 15255 Gulf Freeway Houston, TX 77034 bbass@maidbrigade.com	(281) 464-6243	2
Graig Kibinda and Aqua Johnson 9215 Solon Road, Suite D4 Houston, TX 77064 <a href="mailto:gkibinda@maidbrigade.com">gkibinda@maidbrigade.com</a> <a href="mailto:ajohnson@maidbrigade.com">ajohnson@maidbrigade.com</a>	(281) 469-3939	2
Robert Moser 5320 Gulfton Suite 18 Houston, TX 77081 rmoser@maidbrigade.com	(713) 271-3110	7
Angela McCall 910 18th Street Plano, TX 75074 amccall@maidbrigade.com	(972) 422-0029	11

Catherine and Philip Ibegbu (469) 476-5560 2  
450 Business Park, Suite 104  
Prosper TX 75078  
[cibegbu@maidbrigade.com](mailto:cibegbu@maidbrigade.com)

Jose Flores (210) 424-0166 2  
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Richard & Estella Journey (281) 363-0022 4  
1001 Pruitt Rd  
The Woodlands, TX 77380  
[rjourney@maidbrigade.com](mailto:rjourney@maidbrigade.com)

**UTAH**

Steven Connors 385-350-0001 3  
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**VIRGINIA**

Pete Glavas (703) 823-1726 25  
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Alexandria, VA 22304  
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Erin Jacobson (703) 754-3635 2  
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Haymarket, VA 20169  
[ejacobson@maidbrigade.com](mailto:ejacobson@maidbrigade.com)

Brian and Annette Sklar (804) 355-6263 3  
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Richmond, VA 23228  
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**WASHINGTON**

Clark Eccles (425) 251-5013 3  
201 S.W. 41st Street  
Renton, WA 98055  
[ceccles@maidbrigade.com](mailto:ceccles@maidbrigade.com)

Mark and Marisa Harding (206) 362-8439 5  
17229 15<sup>th</sup> Avenue NE  
Seattle, WA 98155  
[mark.harding@maidbrigade.com](mailto:mark.harding@maidbrigade.com); [marisa.harding@maidbrigade.com](mailto:marisa.harding@maidbrigade.com)

John and Gerrie Chiarella (360) 694-7505 1  
3110 NE Minnehaha St., Suite F  
Vancouver, WA 98663  
[jchiarella@maidbrigade.com](mailto:jchiarella@maidbrigade.com)

Cathy Grefsrud	(206) 487-2367	4
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17710 134th Ave.  
Woodinville, WA 98072  
[cgrefsrud@maidbrigade.com](mailto:cgrefsrud@maidbrigade.com)

**WISCONSIN**

Andris Slokenbergs	(414) 384-4620	2
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1966 South 4th Street, Suite 400  
Milwaukee, WI 53204  
aslokenbergs@maidbrigade.net

In the list of franchises in this Exhibit, as in the charts in Item 20, we count each part of a territory containing 25,000 qualified households as one franchise, so that a franchise territory containing 100,000 qualified households would count as four franchises.

**Signed in 2024 but not open at 12/31/2024 - None**

**EXHIBIT E-2**

**FRANCHISEES WHO LEFT THE SYSTEM IN 2024**

<b><u>MASSACHUSETTS</u></b> Duarte – Closed	351-200-3004	1
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465 Turnpike St. Office 8  
Canton, MA 02021  
[rduarte@maidbrigade.com](mailto:rduarte@maidbrigade.com)

**NEBRASKA**

Al and Cindy Monaco - Terminated	(402) 991-9652	2
----------------------------------	----------------	---

7805 L Street Suite 160  
Omaha, NE 68127  
[amonaco@maidbrigade.com](mailto:amonaco@maidbrigade.com)

**TRANSFERS**

David Newland sold to Maid Brigade, Inc.	(703) 661-6464	4
24315 Stone Springs Blvd. Sterling, VA 20166 <a href="mailto:dnewland@maidbrigade.com">dnewland@maidbrigade.com</a> <a href="mailto:mvinson@maidbrigade.net">mvinson@maidbrigade.net</a>		
Mary Ellen Hoffmann sold to Andris Slokenbergs	(414) 384-4620	4
1966 South 4th Street Ste. 400 Milwaukee, WI 53204 <a href="mailto:mhoffmann@maidbrigade.com">mhoffmann@maidbrigade.com</a> <a href="mailto:aslokenbergs@maidbrigade.com">aslokenbergs@maidbrigade.com</a>		
Terry Dabreo sold to Gordon Zweig	(480) 926-3288	1
1837 South Mesa Dr. Ste. A101 Mesa, AZ 85210 <a href="mailto:tdabreo@maidbrigade.com">tdabreo@maidbrigade.com</a> <a href="mailto:gzweig@maidbrigade.com">gzweig@maidbrigade.com</a>		

**EXHIBIT F**

**THE MB FRANCHISE HOLDINGS, INC. DISCLOSURE DOCUMENT**

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**STATEMENT OF PROSPECTIVE FRANCHISEES**

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**MB FRANCHISE HOLDINGS, INC.**

**STATEMENT OF PROSPECTIVE FRANCHISEES**

- A. The following dates are true and accurate:
- |                                    |  |
|------------------------------------|--|
| (1) _____, 202__<br>Initials _____ | The date of my first face-to-face meeting with a Maid Brigade representative to discuss the possible purchase of a Maid Brigade franchise. |
| (2) _____, 202__<br>Initials _____ | The date that I received the Disclosure Document disclosing facts related to the Maid Brigade franchise opportunity.                       |
| (3) _____, 202__<br>Initials _____ | The date that I received a fully-completed, unsigned copy of the Maid Brigade, Inc. Franchise Agreement I later signed.                    |
| (4) _____, 202__<br>Initials _____ | The earliest date that I signed the Maid Brigade, Inc. Franchise Agreement or any other binding document.                                  |
| (5) _____, 202__<br>Initials _____ | The earliest date that I delivered cash, check, or other consideration to a Maid Brigade representative.                                   |

*The following are applicable to all prospective franchisees except B.(3) and B.(4) are not applicable to those in the State of Illinois:*

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

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

The prospective Franchisee understands and agrees to all of the foregoing and certifies that all of the above statements are true, accurate, and complete.

Nothing in this Statement shall serve to waive any liability the franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

**APPROVED:**

**PROSPECTIVE FRANCHISEE(S):**

MB FRANCHISE HOLDINGS, INC.

\_\_\_\_\_

(Signature)

By: \_\_\_\_\_

\_\_\_\_\_

Raychel Leong-Sullins

(Print Name)

Its: President

\_\_\_\_\_, 202\_\_

(Date)

**EXHIBIT G**

**THE MB FRANCHISE HOLDINGS, INC. DISCLOSURE DOCUMENT**

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**CONFIDENTIAL OPERATIONS MANUAL**

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# CONFIDENTIAL OPERATIONS MANUAL - TABLE OF CONTENTS

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**EXHIBIT H**

**THE MB FRANCHISE HOLDINGS, INC. DISCLOSURE DOCUMENT**

**Form of General Release**

GENERAL RELEASE

THIS GENERAL RELEASE OF LIABILITY is dated and effective \_\_\_\_\_, \_\_\_\_\_ (“Effective Date”) by and among MB Franchise Holdings, Inc., a Delaware corporation, (“Franchisor”) and \_\_\_\_\_, an individual residing at \_\_\_\_\_, or a \_\_\_\_\_ corporation (“Franchisee”).

WHEREAS, Franchisor and Franchisee entered into that certain Franchise Agreement, dated \_\_\_\_\_, \_\_\_\_\_, (“Franchise Agreement”) for ownership and operation of a Maid Brigade franchised business.

WHEREAS, Franchisor and Franchisee now desire to terminate such Franchise Agreement, in connection with the termination, assignment or renewal of the franchise.

NOW THEREFORE, to acknowledge that any claims and issues which Franchisee may have had prior to the date hereof have been fully resolved and as consideration for the termination/assignment or renewal of the Franchise Agreement, and other good and valuable consideration, it is agreed as follows:

Franchisee, for himself/herself/themselves and each of his/her/their successors, representatives, assigns, affiliates, principals, officers, directors, shareholders, subsidiaries, parents, agents, servants, employees, executors, joint ventures, partners, employers, administrators, accountants and attorneys, and each of them, do hereby absolutely, fully, jointly, and severally, and forever release, acquit, relieve, waive, relinquish, and discharge Franchisor, and its respective successors, representatives, assigns, affiliates, principals, officers, directors, shareholders, subsidiaries, parents, agents, servants, employees, executors, joint ventures, partners, employers, administrators, accountants and attorneys from any and all claims, actual or alleged, and any and all claims, actual or potential, whether known or unknown, whether fixed or contingent, whether actual or alleged, and any and all causes of action arising from the beginning of time to the present, including all such claims arising out of or relating to the Franchise Agreement. It is agreed that no provision set out above shall serve as a release, estoppel or waiver of any liability that might be incurred under the Maryland Franchise Registration and Disclosure Law.

Franchisee, severally and jointly, acknowledges that he/she/they may later discover facts, in addition to or different from those which he/she/they know or believe to be true, with respect to the subject matter of the Franchise Agreement, but that each intends to and does hereby fully and finally settle and release all claims as provided herein.

This General Release does not apply to claims arising under the Washington Investor Protection Act RCW 19.100 and the rules adopted thereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Release of Liability Agreement to be executed as of the day first written above.

WITNESS:

MB FRANCHISE HOLDINGS, INC.

---

WITNESS:

---

FRANCHISEE:

---

### **STATE EFFECTIVE DATES**

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

<b>STATE</b>	<b>EFFECTIVE DATE</b>
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

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

**ITEM 23 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 MB Franchise Holdings, Inc offers you a franchise, it must provide this Disclosure Document to you at least 14 calendar days before you sign a binding agreement with or make a payment to the Franchisor or an affiliate in connection with the proposed franchise sale. New York state law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If MB Franchise Holdings, Inc does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit A.

DATE OF ISSUANCE August 1, 2025.

See Exhibit A for our registered agents authorized to receive service of process. The individual serving as our franchise seller is Joel Lazarovitz, who can be reached at (770) 551-9630, at 4 Concourse Parkway, Suite 200 Atlanta, GA 30328.

I have received a Disclosure Document dated August 1, 2025, that included the following Exhibits:

- A — List of State Administrators and Agents for Service of Process
- B — Franchise Agreement including State-Specific Amendments
- C — Corporate Assignment Agreement
- D — Financial Statements
- E-1 — List of Franchisees
- E-2 — Franchisees Who Have Left the System
- F — Statement of Prospective Franchisees
- G — Operations Manual Table of Contents
- H — General Release

\_\_\_\_\_, 202\_\_\_\_\_

Date Prospective Franchisee  
Print Name:\_\_\_\_\_

\_\_\_\_\_, 202\_\_\_\_\_

Date Prospective Franchisee  
Print Name:\_\_\_\_\_

[Please sign and date this copy and retain it for your files]

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- H — General Release

\_\_\_\_\_, 202\_\_\_\_\_

Date Prospective Franchisee  
Print Name:\_\_\_\_\_

\_\_\_\_\_, 202\_\_\_\_\_

Date Prospective Franchisee  
Print Name:\_\_\_\_\_

[Please sign and date this copy and return it to Maid Brigade, Inc.]