



## FRANCHISE DISCLOSURE DOCUMENT

Surv Franchisor, LLC  
A Delaware limited liability company  
7870 East Kemper Road, Suite 400  
Cincinnati, Ohio 45259  
Tel: (513) 344-4900  
support@wesurv.com  
www.wesurv.com

The franchise that we offer is for Surv, a to-do list membership providing services to assist homeowners with projects, including moving, decluttering, junk removal, painting, event organization, helping hands, cleaning, landscaping, decorating, technology and related services and products.

The total investment necessary to begin operation of the franchised business under a franchise agreement is \$104,958 to \$134,750. This includes \$55,000 that must be paid to the franchisor or its affiliates.

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

You may wish to receive your disclosure document in another form that is more convenient for you. To discuss the availability of disclosures in different forms, contact our franchise administration department, Surv Franchisor, LLC, at 7870 East Kemper Road, Suite 400, Cincinnati, Ohio 45259, and (513) 344-4900.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at [www.ftc.gov](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: April 30, 2025

(CA/MD/MN FDD)

## 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 Exhibits F and G.
<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 Surv 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 Surv franchisee?</b>	Item 20 or Exhibits F and G list 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, arbitration and/or litigation only in Ohio. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Ohio than in your own state.
2. **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.
3. **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.
4. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

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.

NOTICE REQUIRED BY 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.**

The Michigan Franchise Law states in Sec. 445.1527, Sec. 27 that each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel, which deprives a franchisee of rights and protections, provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than five 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 six months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
  - (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.
  - (ii) The fact that the proposed transferee is a competitor of the franchisor or sub-franchisor.

- (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 I.
- (i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000.00, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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

Any questions regarding this notice should be directed to:

State of Michigan  
Department of Attorney General  
CONSUMER PROTECTION DIVISION  
Attention: Antitrust & Franchise  
G. Mennen Williams Building, 1st Floor  
525 West Ottawa Street  
Lansing, Michigan 48909  
Telephone Number: (517) 373-7117

Surv  
Franchise Disclosure Document

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

Surv Franchisor, LLC, the franchisor of the Franchised Business, is referred to in this disclosure document (the “Disclosure Document”) as “we”, “us” or “our” as the context requires. A franchisee is referred to in this Disclosure Document as “you” and “your” as the context requires. If you are a limited liability company, partnership or other legal entity (a “Corporate Entity”), our Franchise Agreement will also apply to your individual owners, shareholders, members, officers, directors, other principals, and their respective spouses.

**The Franchisor**

We are a Delaware limited liability company established in October 2024. Our principal business address is 7870 East Kemper Road, Suite 400, Cincinnati, Ohio 45259. We conduct business under our corporate name, Surv Franchisor, LLC and Surv. Our business is operating Surv franchise system and granting franchises to third parties like you to develop and operate a Franchised Business. We began offering franchises as of November 2024.

Other than as discussed above, we are not in any other business, we have not conducted business in any other line of business, we do not conduct or operate a Franchised Business of the type to be operated by a franchisee, and we have not offered or sold franchises in any other line of business. We do not have any predecessors and we do not have any parent company. Our registered agents for service of process are disclosed in Exhibit B of this Disclosure Document.

**Predecessor**

Our predecessor is Surv Franchising, LLC (“Predecessor”), a Delaware limited liability company with a principal business address of 5 Dr. Marcus Wheatland Boulevard, Newport, Rhode Island 02840. Our Predecessor offered Surv Franchised Businesses from January 2024 until October 2024. We acquired substantially all of Predecessor’s assets in November 2024, including all existing Surv franchise agreements.

**Parents and Affiliates**

We are a majority owned subsidiary of Cornerstone Franchise Brands, LLC (“Cornerstone Brands”), which shares our principal place of business. Cornerstone Brands is a wholly owned subsidiary of Cornerstone Franchise Group, LLC. Neither Cornerstone Brands nor Cornerstone Franchise Group, LLC has offered franchises in any line of business and do not provide goods or services to our franchisees. Cornerstone Brands does guarantee our obligations under the Franchise Agreement.

FirstLight HomeCare Franchising, LLC (“FirstLight Home Care”) is also our affiliate and shares our principal place of business. Since 2009, FirstLight Home Care has offered franchises for businesses that provide hands-on personal care, in home care assistance to those requiring companion care, dementia care and assistance with the activities of daily living to seniors and other adults. As of December 31, 2024, there were 238 franchised FirstLight Home Care businesses. FirstLight Home Care has never operated a business of the type you will operate.

**The Franchised Business**

We license a system (the “System”) for the operation of a Surv business (each, a “Franchised Business” or “Surv Business”) that provides to-do list membership services to assist homeowners with projects, including moving, decluttering, junk removal, painting, event organization, helping hands, cleaning, landscaping decorating, technology and related services and products (the “Approved Services and Products”). The System also features and requires, as designated by us, your exclusive use of products, supplies, warranties, equipment, service vehicles, and materials that we designate (the “System Supplies”).

The System is identified by the Surv trademark and such other trademarks, logos, and trade-dress that we may designate, modify or adopt from time to time and as same may or may not be registered with the United States Patent and Trademark Office (collectively, the “Licensed Marks”).

You must develop and operate your Surv Business in conformity with the specifications, procedures, criteria, and requirements that we designate in our confidential operations manual and other proprietary manuals that we designate and as we may supplement and modify from time to time (collectively, the “Manuals”). From time to time, we may modify, add to or discontinue our designated Approved Services and Products, System Supplies, and/or our specifications, methods and procedures for the service, marketing and sale of Approved Services and Products. You may only offer and provide the Approved Services and Products on-site at customer locations within your designated operating territory.

Subject to applicable laws and regulations, you may administratively operate your Surv Business from a home based office for up to 12 months from the Effective Date of the Agreement provided that you lease a commercial storage unit to store equipment and supplies and to park your Service Vehicles. After 12 months, we expect that you will lease a non-retail commercial facility to maintain supplies, manage employees, staging service visits, and park service vehicles.

### **Franchise Agreement**

You may enter into a Franchise Agreement in the form attached to this Disclosure Document as Exhibit E to develop and operate a Surv Business within an operating territory in conformity with the requirements of our System. At the time of signing the Franchise Agreement we will designate a geographic area comprising your operating territory. Your right to use the System will be limited to offering and providing our Approved Services and Products within your operating territory using only our System Supplies, the Licensed Marks and the specifications and requirements set forth in our Manuals and as otherwise constituting a part of our System.

### **Market and Competition**

The general market for the services and products offered by the Franchised Business typically includes members of the general public seeking assistance with household projects and tasks. The market for home services is highly competitive and may be seasonal depending on the location of your Franchised Business, such as if your Franchised Business operates in an area that contains vacation homes or residences that are occupied on a seasonal basis. You will be competing with general contractors, home improvement service providers, handyman service providers, elder care providers and other businesses that provide general household, project and task assistance services to homeowners. You will be competing with many local and independently owned service providers including businesses offering services the same as or similar to the Franchised Business.

### **Industry Specific Laws**

Many states and local jurisdictions have laws, rules, and regulations that may apply to the Franchised Business, including rules and regulations related to health and safety requirements concerning home improvements and related services. You must evaluate and obtain the necessary licenses, certification, permits and approval necessary to establish and operate the Franchised Business within your designated operating territory. You may be required to obtain a home improvement license, contractor license and/or contractor registration. You must investigate all of these laws. You must check your state, county and local jurisdiction about these rules and regulations and you should consult with your own legal advisor. You will also be subject to federal and state laws and regulations that apply to businesses generally, including rules and regulations involving employment practices, wage and hour laws, immigration and employment laws. You must review federal minimum wage and overtime laws, as well as similar laws within your state to ensure compliance with labor and wage laws currently in existence and those that may later be adopted.

You should consult with your attorney concerning these and other local laws, rules and regulations that may affect the operation of the Franchised Business.

**ITEM 2**  
**BUSINESS EXPERIENCE**

Member of Board of Managers: Bernard B. Markey

Mr. Markey, a private investor based in Summit, New Jersey, has served as a Member of our Board of Managers since our formation in October 2024 and a Member of FirstLight Home Care’s Board of Managers since its formation in December 2009. He has also served as Co-Managing Partner of Navigator Partners, LLC, located in Summit, New Jersey, since October 2006.

Member of Board of Managers: William H. Stewart, Jr.

Mr. Stewart, a private investor based in Summit, New Jersey, has served as a Member of our Board of Managers since our formation in October 2024 and a Member of FirstLight Home Care’s Board of Managers since its formation in December 2009. He has also served as Co-Managing Partner of Navigator Partners, LLC, located in Summit, New Jersey, since October 2006.

CEO/President: Glee McAnanly

Ms. McAnanly has served as our CEO/President since October 2024 and the CEO/President of FirstLight Home Care since February 2021. She has also served as FirstLight Home Care’s Chief Operating Officer since July 2020. Prior to joining us, Ms. McAnanly served as Chief Development Officer and Vice President of Franchise Excellence at ServiceMaster Brands, located in Memphis, Tennessee, from April 2019 to July 2020. From January 2017 to July 2020, she served as Vice President of International and Franchise Relations with ServiceMaster Brands.

Vice President of Business Development and Process: Jeff Goebel

Mr. Goebel has served as our Vice President of Business Development and Process since October 2024 and the Vice President of Business Development and Process for FirstLight Home Care since January 2016. Since November 2013, Mr. Goebel has also served as FirstLight Home Care’s Director of Business Development and Team Support–Eastern U.S. Mr. Goebel has also served as the owner and President of Diverse Tooling, Inc., located in Plymouth, Wisconsin, since January 2008, and as the President of Beverly Real Estate Management, LLC, located in Sheboygan, Wisconsin, since November 2006.

Patrick Brown, Founder

Patrick Brown is our Founder and has served in this role since November 2024 and as CEO and Founder for our Predecessor from January 2024 until October 2024. Since 2011 and continuing to date, Patrick Brown has served as Founder and CEO of a Surv Business located in Newport, Rhode Island.

**ITEM 3**  
**LITIGATION**

No litigation is required to be disclosed in this Item.

**ITEM 4**  
**BANKRUPTCY**

No bankruptcy is required to be disclosed in this Item.

**ITEM 5**  
**INITIAL FEES**

When you sign a Franchise Agreement you must pay to us a non-refundable initial franchise fee (the “Initial Franchise Fee”). The Initial Franchise Fee is \$50,000 for a geographic area with a population of approximately 250,000 people (each a “Territory”). The Initial Franchise Fee is fully earned by us upon payment. The method we use to calculate the Initial Franchise Fee is uniform for all franchises that we offer under this Disclosure Document, except, as described below.

**Training Fee**

You must pay a \$5,000 Training Fee when you sign the Franchise Agreement. We will not charge a Training Fee for transfers, renewals or Territory expansions. This amount is considered fully earned and non-refundable when paid.

**Veteran’s Discount**

For qualified individuals who were honorably discharged from any branch of the United States Military we offer a 10% discount off of the Initial Franchise Fee for your first Franchise Agreement. This discount must be requested at the time of your initial franchise application and requires documented military service.

**Additional Surv Franchises**

If you are an existing Surv franchisee, in good standing and entering into a new franchise agreement for another Surv franchise, we are currently offering discounts off of the applicable initial franchise fees. The initial franchise fees for additional franchises are as follows:

<b>Additional Franchise:</b>	<b>Discount:</b>	<b>New Discounted Initial Franchise Fee:</b>
2nd Additional Franchise	15% = \$7,500	\$42,500 per Franchise
3rd Additional Franchise and more Additional Franchises	20% = \$10,000	\$40,000 per Franchise

**ITEM 6**  
**OTHER FEES**

Type of Fee <sup>(Note 1)</sup>	Amount	Due Date	Remarks
Royalty <sup>(Notes 2 and 3)</sup>	Greater of 7% of Gross Revenue or Minimum Monthly Royalty Fee Requirement	Monthly as designated by us	Will be debited automatically from your bank account by ACH or other means designated by us. See, Notes 2 and 3 for Minimum Monthly Royalty Requirements.
Brand Development Fund <sup>(Note 4)</sup>	Up to 2% of Gross Revenue, currently not assessed	Monthly as designated by us	Will be debited automatically from your bank account by ACH or other means designated by us.
Franchisee Directed Local Marketing <sup>(Note 5)</sup>	3.5% of monthly Gross Revenue, but not less than \$1,200 per month for each Operating Territory	Monthly as incurred by you	Must be spent by you monthly on pre-approved marketing within your Operating Territory. Subject to Minimum Monthly Local Marketing Requirements depending on the size of your

Type of Fee <sup>(Note 1)</sup>	Amount	Due Date	Remarks
			Operating Territory. Also subject to the Performance Reduction. See Note 5.
Advertising Cooperatives <sup>(Note 6)</sup>	Up to 2% of monthly Gross Revenue, but not exceeding the local marketing requirement, currently not assessed	As established by cooperative members	If we authorize an Advertising Cooperative, fees that you pay to the cooperative will count to the satisfaction of your local marketing requirements, but will not exceed the local marketing requirement.
Operating Platform Fees <sup>(Note 7)</sup>	Currently \$1,050 per month	Monthly as designated by us	Will be debited automatically from your bank account by ACH or other means designated by us. May increase this fee in the future, provided that the Operating Platform Fees will not be more than our costs plus 20%.
Software Fees <sup>(Note 8)</sup>	Currently \$399 per month for up to 25 users		Software and license fees for Field Service Management and other required software. This fee is payable to us or our designated vendor. Additional users are \$10 per user per month. We may increase these fees; provided that they will not increase more than 10% each year.
Customer Service and Refunds <sup>(Note 9)</sup>	Varies under the circumstances	On demand	If in our discretion we elect to resolve a complaint or refund request by a customer.
Annual Conference <sup>(Note 10)</sup>	Our then current conference fee, not greater than \$1,000 per attendee	When invoiced	Required attendance fee for an annual System conference. We will not increase this fee more than more than 10% each year.
Additional Employee Initial Training	Our then current training fee, currently \$500 per person per day	When invoiced, prior to training	Our initial pre-opening training is provided at no additional cost for you or your Managing Owner and one designated manager. This fee applies to additional individuals that we authorize to attend initial training. We will not increase this fee more than more than 10% each year.
Supplemental Training	Our then current trainer fee, currently \$500 per	When invoiced, prior to training	If you request or we require additional training, you must pay our then current trainer fee plus, if applicable, our expenses related to

Type of Fee <sup>(Note 1)</sup>	Amount	Due Date	Remarks
	day plus our expenses		travel and accommodations. You must also pay this fee and any such expenses for training provided by us to a full-time employee hired by you to handle scheduling and customer services issues. We will not increase this fee more than more than 10% each year.
Customer Satisfaction Surveys <sup>(Note 11)</sup>	Up to \$250 per month	On demand	Satisfaction Surveys or Reputation Management services required at our discretion. Payable to us or our designated vendor.
Interest	18% per annum from due date	On demand	Payable on all overdue amounts, fees, charges, and payments due to us under the Franchise Agreement. Interest rate cannot exceed legal rate allowed by law and may be adjusted to reflect same.
NSF Check Fee or Failed Electronic Fund Transfer	\$50 or maximum fee allowed by law	On demand	Payable if your bank account possesses insufficient funds and/or fails to process a payment or transfer related to a fee due from you to us.
Audit	Cost of audit	On demand	For costs incurred by us for each financial audit, provided the audit determines underreporting of 2% or greater during any designated period. Includes expenses incurred by us including audit, legal, travel and reasonable accommodations.
Quality Assurance Audit	Actual costs incurred by us	As invoiced	Payable to us if we elect to perform or designate a third party to perform periodic quality assurance audits, including mystery shopper type inspections and programs. Includes costs and expenses of re-inspections.
Collections	Actual fees, costs, and expenses	On demand	For costs and expenses incurred by us in collecting fees due to us or to enforce the terms of the Franchise Agreement or a termination of the Franchise Agreement.
Supplier Review	Actual fees, costs, and expenses	Within 14 days of invoice	For costs incurred by us to review and evaluate a potential supplier, product, or service that you submit to us for approval.

Type of Fee <sup>(Note 1)</sup>	Amount	Due Date	Remarks
Management Service	20% of Gross Revenue, plus expenses	As invoiced	Payable if we elect to manage the Franchised Business due to death, disability, a failure by you to have the Franchised Business managed by an authorized Managing Owner or Manager, etc.
Transfer	\$10,000 payable at the time of transfer	Before the effective date of transfer	Payable if we approve your transfer request and upon signing our then current Franchise Agreement.
Renewal	\$7,500 payable at the time of renewal	Before the effective date of the renewal	Payable if we approve your renewal request and upon signing our then current Franchise Agreement.

Explanatory Notes to Item 6

**Note 1: Type of Fee** – The above table describes fees and payments that you must pay to us, our affiliates, or that our affiliates may impose or collect on behalf of a third party. All fees are uniformly imposed for all franchises offered under this Disclosure Document, are recurring, are not refundable, and are payable to us, unless otherwise specified. Payment is subject to our specification and instruction, including, our election to have all fees automatically drafted from your business bank account or automatically debited or charged to your business bank account. You will be required to sign an ACH Authorization Form (Franchise Agreement, Exhibit 4) permitting us to electronically debit your designated bank account for payment of all fees payable to us and/or our affiliates. You must deposit the Gross Revenue of your Surv Business into the designated bank accounts that are subject to our ACH authorization. You must install and use, at your expense, the pre-authorized payment, point of sale, credit card processing, automatic payment, automated banking, electronic debit and/or electronic funds transfer systems that we designate and require in the operation of your Surv Business. You must pay all service charges and fees charged to you by your bank so that we may electronically debit your bank account.

**Note 2: Royalty Fees** – You must pay to us a continuing royalty fee (the “Royalty Fee”). The continuing Royalty Fee is a monthly fee equal to the greater of: (a) a sum equal to 7% (the “Royalty Rate”) of your monthly Gross Revenue; or (b) the amount of your then applicable minimum monthly Royalty Fee requirement (the “Minimum Monthly Royalty Fee Requirement”). The “Minimum Monthly Royalty Fee Requirement” is described below.

Number of Months the Franchised Business is in Operation	Minimum Monthly Royalty Fee Requirement
0-6	\$0
7-18	\$800
19-36	\$1,600
37-60	\$2,000
60 and beyond	\$3,870

Note 3: Gross Revenue – “Gross Revenue” means the total dollar sales from all business and customers of your Surv Business and includes the total gross amount of revenues, receipts, and sales from whatever source derived, whether in form of cash, credit, agreements to pay or other consideration including the actual retail value of any goods or services traded, borrowed, or received by you in exchange for any form of non-money consideration (whether or not payment is received at the time of the sale), from or derived by you or any other person or Corporate Entity from business conducted or which started in, on, from or through your Surv Business and/or your Operating Territory, whether such business is conducted in compliance with or in violation of the terms of the Franchise Agreement. Gross Revenue include the total gross amount of revenues, receipts, and sales from whatever source derived from and/or derived by you including, any person and/or Corporate Entity acting on your behalf, from business conducted within and/or outside your Operating Territory that is related to your Surv Business and/or a competitive business located and/or operated within your Operating Territory, outside your Operating Territory, and/or otherwise. Gross Revenue do not include (a) sales taxes that you collect and remit to the proper taxing authority, and (b) authorized promotional discounts that you provide to customers.

Note 4: Brand Development Fund – The brand development fund fee is a continuing monthly fee equal to an amount of up to 2% of your monthly Gross Revenue (the “Brand Development Fund Fee”). Currently we do not charge a Brand Development Fund but we reserve the right to increase this fee at any time in the future provided that the Brand Development Fund will not exceed 2% of your monthly Gross Revenue.

Note 5: Franchisee Directed Local Marketing – On an on-going monthly basis you must spend not less than the greater of: (a) 3.5% of your monthly Gross Revenue; or (b) \$1,200 per month for your Operating Territory on the local marketing of your Surv Business within your Operating Territory and in accordance with our standards and specifications.

Note 6: Advertising Cooperatives – If two or more Surv Businesses are operating within a geographic area, region, or market designated by us (a “designated market”), we reserve the right to establish and require your participation in a local or regional advertising cooperative within the designated market. If established, you will be required to participate in the cooperative and make on-going payments to the cooperative in such amounts and subject to such caps as established by the cooperative members. We anticipate that each Surv Business franchisee will have one vote for each Surv Business located within the cooperative market and those cooperative decisions shall be made based on approval of a simple majority vote with a quorum of not less than 25% of the designated cooperative members. Contributions to a local or regional cooperative that we designate will count toward satisfaction of your minimum local marketing requirements but shall not exceed your local marketing requirement.

Note 7: Operating Platform Fee – The continuing monthly Operating Platform Fee is an administrative fee to defray our costs related to system website, intranet and other software platforms we may provide or facilitate (the “Operating Platform Fee”). Currently we charge a monthly Operating Platform Fee of \$1,050, however, we reserve the right to increase this fee at any time provided that the Operating Platform Fees will not be more than our costs plus 20%.

Note 8: Software Fee – These Software Fees are typically paid to our designated vendors for Field Management software and/or other required systems to manage your Surv business. Current Field Management software fees are \$399/month for up to 25 users plus an additional \$10 per user per month. We may increase these fees; provided that they will not increase more than 10% each year or as dictated by the vendor.

Note 9: Customer Services and Refunds – This fee will be based on the costs incurred by us, including refunds and/or credits that we may undertake on behalf of a customer that was not satisfied with the services or products provided by the Franchised Business. You must guarantee your services to your customers. If

we determine that your customer is entitled to reimbursement of fees paid to you, we may reimburse your customer directly. You must reimburse us for the amounts that we reimburse your customer. You must also participate in any warranty insurance programs that we designate.

Note 10: Annual Conference Attendance Fee – If we offer a franchisee annual conference in a given year you will be required to attend the conference on the dates and at the location that we designate. You will be responsible for all travel and lodging expenses. We may charge you an annual conference fee in an amount not exceeding \$1,000, per attendee (the “Annual Conference Attendance Fee”). We reserve the right to charge the Annual Conference Attendance Fee to those franchisees that do not attend. We will not require your attendance at an annual conference for more than five days during any calendar year.

Note 11: Non-Compliance Fee: Customer Reviews – We may require you to participate in Customer Satisfaction Surveys and/or reputation management services. If implemented, you will pay the cost of the surveys we designate up to \$250/month.

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**ITEM 7**  
**ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT**

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee <sup>(Note 1)</sup>	\$50,000	Lump sum	When Franchise Agreement is signed	Us
Training Fee <sup>(Note 1)</sup>	\$5,000	Lump sum	When Franchise Agreement is signed	Us
Rent Deposits – Three Months <sup>(Note 2)</sup>	\$0 – \$5,950	As arranged	As incurred	Landlord
Utility Deposits <sup>(Note 3)</sup>	\$0 – \$150	As arranged	As incurred	Utility companies and/or landlord
Equipment <sup>(Note 4)</sup>	\$1,000 – \$3,000	As arranged	As incurred	Suppliers
Service Vehicle <sup>(Note 5)</sup>	\$6,000 to \$10,000	As arranged	As incurred	Vehicle dealer
Furniture and Fixtures <sup>(Note 6)</sup>	\$0 – \$1,000	As arranged	As incurred	Suppliers
Initial Inventory <sup>(Note 7)</sup>	\$0 – \$500	As arranged	As incurred	Suppliers
Computer, Software, and Business Management System <sup>(Note 8)</sup>	\$3,600 – \$5,600	As arranged	As incurred	Suppliers
Start-up Marketing <sup>(Note 9)</sup>	\$10,000	As arranged	As incurred	Suppliers
Signage and Vehicle Wrap <sup>(Note 10)</sup>	\$1,000 – \$2,200	As arranged	As incurred	Suppliers
Insurance Deposits – Three Months <sup>(Note 11)</sup>	\$333 – \$1,000	As arranged	As incurred	Insurers
Travel for Initial Training <sup>(Note 12)</sup>	\$1,000 – \$3,600	As arranged	As incurred	Airlines, hotels, restaurants
Professional Fees <sup>(Note 13)</sup>	\$1,500 – \$2,500	As arranged	As incurred	Attorneys, accountants, architects, advisors
Licenses and Permits <sup>(Note 14)</sup>	\$500 – \$1,000	As arranged	As incurred	Government
Printing, Stationary and Office Supplies <sup>(Note 15)</sup>	\$475 – \$750	As arranged	As incurred	Suppliers
Additional Funds – Three Months <sup>(Note 16)</sup>	\$24,550 – \$32,500	As arranged	As incurred	Us, employees, suppliers, landlord
Total Estimate <sup>(Note 17)</sup>	\$104,958 – \$134,750			

Explanatory Notes to Item 7

**Note 1: Initial Franchise Fee** – The Initial Franchise Fee and Training Fee are payable by you to us in a lump sum when you sign the Franchise Agreement and are non-refundable. . All fees are non-refundable. We do not finance any portion of your initial fees.

Note 2: Rent Deposits – Three Months – The Approved Services and Products may only be offered and provided on-site at customer homes or customer designated locations within your Operating Territory. If permitted by local law, you may operate your Surv Business from a home based administrative office for the first 12 months from the Effective Date of this Agreement. There is no requirement to purchase or lease real estate. The low end of this estimate is based on the assumption that you will operate your Surv Business from a home based administrative office for the first 12 months from the Effective Date of this Agreement. The high end of this estimate is based on the assumption that you will operate your Surv Business from a small office of approximately 500 square feet, in a suburban location. The high estimate assumes your rent deposit will be equal to three month's rent payments. This estimate does not include the purchase of real property should you elect to purchase an administrative office.

Note 3: Utility Deposits – This estimate is for initial deposits paid to utility service providers such as services for gas, electric, water, sewer and internet access. The low end of this estimate assumes that you will operate your Surv Business from a home based administrative office for the first 12 months from the Effective Date of this Agreement. The high end of this estimate assumes that you will operate your Surv Business from a small office of approximately 500 square feet. This estimate may vary based on your local municipality or service provider.

Note 4: Equipment – You will be required to purchase certain types of equipment, including basic hand tools required for each job type, from us or our approved manufacturers and suppliers and subject to our specifications. This estimate includes the estimated costs to purchase these items from our designated suppliers and does not include delivery costs.

Note 5: Service Vehicle – You must use a Surv branded and wrapped service vehicle for all customer visits. This estimate is for a down payment and three months of lease installment payments for one service vehicle. These payments will be an on-going expense throughout the operation of your Surv Business. The service vehicle must meet our standards, and specifications, be registered and insured as a commercial vehicle, be wrapped in accordance with our brand standards and specifications, and be in a relatively new and clean condition. Typical vehicles that we approve include a Dodge Ram ProMaster 2500 High Roof. This estimate does not include the cost to wrap your Vehicle.

Note 6: Furniture and Fixtures – You will be required to obtain and utilize certain types of furniture and fixtures in connection with your Surv Business, including a chair, desk and filing cabinet. The low end of this estimate assumes that you will operate your Surv Business from a home office and that you will already have access to a chair, desk and filing cabinet. The high end of this estimate assumes that you will purchase a desk, chair and filing cabinet for use in your home based office or in a small office leased by you for your Surv Business.

Note 7: Initial Inventory – Your initial inventory comprised of uniforms and supplies and your on-going inventory of System Supplies must be purchased from us, our affiliates, or our designated suppliers.

Note 8: Computer, Software, and Business Management System – You are required to purchase, license and use the computer system and customer relationship management system and applications that we designate. This estimate includes a laptop computer, iPad with cellular wireless internet access, printer and mobile phone, as well as the initial start-up licenses and costs for our designated business management system (the “Business Management System”).

Note 9: Start-Up Marketing Expense – You must spend a minimum of \$10,000 prior to and during the initial three month period following the opening your Surv Business.

Note 10: Signage and Vehicle Wrap – You are required to purchase, subject to our design and construction specifications and approval, interior and exterior signs and displays that we designate. This estimate includes the cost of such signage and includes the cost to wrap your vehicle in accordance with our standards and specifications.

Note 11: Insurance Deposits – Three Months – You are required to maintain minimum insurance coverage as designated by us. This estimate is for the cost of an initial deposit to obtain the minimum required insurance the initial three months of monthly insurance installment premium payments. We recommend that you consult with your insurance agent before signing a Franchise Agreement.

Note 12: Travel for Initial Training – You must complete our pre-opening training program before opening your Surv Business. We do not charge a fee for our pre-opening initial training. This estimate is for travel and lodging expenses for two to three people to attend our pre-opening initial training program.

Note 13: Professional Fees – This estimate is for costs associated with the engagement of professionals such as attorneys and accountants for advisories consistent with the start-up of a Surv Business. We recommend that you seek the assistance of professional advisors when evaluating this franchise opportunity, this Disclosure Document, and the Franchise Agreement. It is also advisable to consult these professionals to review any lease and other contracts that you will enter into as part of the development and operation of your Surv Business.

Note 14: Licenses and Permits – You must apply for, obtain, and maintain all required permits and licenses necessary to operate a Surv Business. The licenses will vary depending on local, municipal, county and state regulations.

Note 15: Printing, Stationary and Office Supplies – You must purchase printing, stationery, and office supplies, including, but not limited to, business cards, uniforms and other mark-bearing items.

Note 16: Additional Funds – This is an estimate of the minimum recommended levels of additional funds that may be required to cover operating expenses such as employee salaries, inventory, rent, and utilities only for the initial three month period following the opening of your Surv Business. This estimate does not include compensation to you or your owners and does not include interest, finance charges, or payments that may be incurred by you if you financed the development of your Surv Business. In making this estimate, we have relied on the experiences of our Founder’s business in developing and operating a Surv Business. This is only an estimate for your initial three months of operations and more working capital and additional funds may be required depending on the sales and performance of your Surv Business.

Note 17: About Your Estimated Initial Investment – This is an estimate of the initial start-up expenses for a Surv Business. We have based these estimates on the experiences of our Predecessor and its affiliate in developing a Surv Business. These are only estimates and your costs and the range of those costs may vary. These estimates do not include interest and financing charges that you may incur and they do not include management level compensation payable to you or your owners.

## **ITEM 8**

### **RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

You may only offer and sell the Approved Services and Products that we designate and you may only use those products, supplies, equipment, technology systems, and services that we authorize and designate in writing. To ensure that our standards and specifications of quality, service and System development are maintained, you must operate your Surv Business in strict conformity with the Franchise Agreement and the methods, standards, specifications and sources of supply that we designate and prescribe in the Manuals.

## **Source Restricted Purchases and Leases – Generally**

We require that you purchase or lease certain source restricted goods and services for the development and operation of your Surv Business. Source restricted goods and services are goods and services that must meet our specifications and/or must be purchased from an approved or designated supplier. We may designate a supplier (which may include us or our affiliates) as the exclusive supplier for the System. Our specifications and list of approved and designated suppliers is contained in our Manuals. We will notify you of any changes to our specifications or list of approved or designated suppliers. We may notify you of these changes in various ways, including written or electronic correspondence, amendments and updates to our Manuals, verbal and other forms of communication. We formulate and modify our standards and specifications for products and services based on our industry experience and our management decisions as to the overall operation and expansion of the System or as we may otherwise designate and approve in writing. If we have previously approved a supplier, and their standards fall below our designated standards, we will revoke our approval. We will notify you in writing of us revoking our approval.

## **Suppliers and Supplier Criteria**

We may designate ourselves and our affiliates as exclusive suppliers of source restricted goods and services. We may designate ourselves or a third party as exclusive supplier irrespective of the existence of competing suppliers. If, in the Manuals, we do not designate a supplier for a particular item, you will purchase all such products, supplies and services from suppliers who meet our specifications and standards. Currently, we are not and our affiliates are not approved suppliers of the source restricted goods and services identified below. Currently no officer of ours owns an interest in any of our designated suppliers. If we have previously approved a supplier, and their standards fall below our designated standards, we will revoke our approval. We will notify you in writing of us revoking our approval.

If you want to purchase or lease a source restricted item from a supplier that has not been previously approved or designated by us in writing, you must send us a written request for approval and submit additional information that we may request. We may charge you a supplier review and testing fee and we may request that you send us samples from the supplier for testing and documentation from the supplier for evaluation. We may also require, subject to our discretion, that we be allowed to inspect the supplier's facilities. We will notify you of our approval or disapproval within a reasonable time, not to exceed 60 days, after we receive your written request for approval and all additional information and samples that we may request. We may, in our discretion, withhold our approval. When evaluating the approval of a particular supplier, among other things, we consider: whether the supplier can demonstrate to our reasonable satisfaction the ability to meet our standards, specifications and production requirements, the supplier's quality control, whether or not we are the exclusive supplier of the particular item, whether or not our affiliate or affiliates are the exclusive supplier of the particular item, and whether or not the supplier's approval, in our sole determination, will allow us to advance the overall interests of the System.

We estimate that your purchase of goods and services from suppliers according to our specifications, including your purchase of goods or services from our designated exclusive suppliers to represent less than 10% of your total purchases and leases in establishing the Franchised Business and approximately 10%-15% of the on-going operating expenses of the Franchised Business. We currently require that you purchase or lease the following source restricted goods and services from either us or our designated supplier:

1. System Supplies – You must maintain an initial and ongoing inventory of System Supplies. You must purchase the System Supplies, as designated by us, from us, our affiliates, and/or our designated suppliers.

2. Branded Items and Marketing Materials – All materials bearing the Licensed Marks including, but not limited to, stationary, business cards, brochures, apparel, signs and displays, must meet our standards and specifications and must be purchased from us directly or our designated suppliers. All of your marketing materials must comply with our standards and specifications and must be approved by us before you use them. You may market your Surv Business through approved digital media and social media platforms provided that you do so in accordance with our digital media and social media policies. You must purchase all branded marketing materials from either us or our designated exclusive supplier. We may require that you exclusively use, at your cost, our designated supplier for social and digital media marketing services and exclusively use, at your cost, our social media platforms, vendors and marketing channels.
3. Business Management System and Computer Equipment – You must purchase, license and utilize the point of sale system, CRM, hiring platform, internal applications, accounting software, bookkeeping software and email programs and software that we require (the “Business Management System”). You are also required to purchase and maintain a laptop computer, iPad with cellular capabilities, printer and mobile phone. In general, you will be required to obtain a computer system that will consist of certain hardware, software, and peripheral devices such as printers. You will be required to meet our requirements involving back office and point of sale systems, security systems, printers, back-up systems, and high-speed internet access. At all times we will have direct access to all information entered by you and/or maintained in the point of sale and Business Management System.
4. Computer System – You must purchase and maintain a desktop computer system at your administrative office and an iPad that maintains cellular internet access for each dispatched user/service vehicle that you operate. In general, you will be required to obtain a computer system that will consist of certain hardware, software, and peripheral devices such as printers. You will be required to meet our requirements involving back office and point of sale systems, security systems, printers, back-up systems, and high-speed internet access.
5. Service Vehicles – Your service vehicles must meet our standards and specifications, be designated and insured for commercial use, and be wrapped with our approved branding and vehicle wrap. You may only operate your Surv Business from service vehicles that meet our standards and specifications.
6. Credit Card Processing – You must use our designated supplier and vendor for credit card processing which may be integrated with the point of sale system that we designate. Credit card processing fees will, generally, be based on a percentage of all credit card processed Gross Revenue.
7. Online Ordering, Customer Rewards, and Gift Cards – You must use our designated supplier and vendor for the ability to access and use online, point of sale integrated, web based, and/or app based, ordering, customer rewards, and/or gift card systems. Currently our designated vendor for these systems is Gifly. As you access and utilize these systems you will pay usage fees based on a percentage of your processed Gross Revenue.
8. Insurance – You must obtain the insurance coverage that we require from time to time as presently disclosed in the Manuals and as we may modify. All insurance policies required under your Franchise Agreement and as set forth in the Franchise Agreement must be written by a responsible carrier, reasonably acceptable to us, and all insurance (excluding workers’ compensation) must name us, our officers, directors, shareholders, partners, agents, representatives and independent contractors as additional insureds. The insurance policies must include a provision that the

insurance carrier must provide us with no less than 30 days' prior written notice in the event of a material alteration to, or cancellation of, any insurance policy. A certificate of insurance must be furnished by you to use at the earlier of 90 days after the Effective Date of the Franchise Agreement or prior to the commencement of our initial training program. Insurance coverage must be at least as comprehensive as the minimum requirements set forth below and in the Franchise Agreement (Franchise Agreement, Article 8). You must consult your carrier representative to determine the level of coverage necessary for the Franchised Business. Higher exposures may require higher limits.

### Insurance Requirements

- a) Coverage against direct physical loss or damage to real and personal property, including improvements and betterments, written on a special form peril basis, including flood and earthquake, if the relevant property is situated in a flood or earthquake zone, in an amount equal to 100% of the Franchised Business' property value;
- b) Comprehensive general liability insurance, written on an occurrence basis, extended to include contractual liability, products and completed operations, and personal and advertising injury, with a combined bodily injury and property damage limit of at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate;
- c) Statutory workers' compensation insurance as required by the law of the state in which the Franchised Business is located, with a limit of at least \$1,000,000;
- d) Employer's liability insurance as required by the law of the state in which the Franchised Business is located, with a limit for bodily injury by accident of at least \$500,000 and a limit for bodily injury by disease of at least \$500,000, and an aggregate limit of at least \$1,000,000;
- e) Business automobile insurance, including liability insurance coverage for hired and non-owned automobiles, with a combined single bodily injury and property damage limit of at least \$500,000 per occurrence;
- f) Cargo insurance with a minimum \$40,000 limit;
- g) Commercial umbrella liability insurance with a total liability limit of at least \$1,000,000;
- h) Cyber insurance in the amount of at least \$50,000 protecting against first party and third party claims; and
- i) All other insurance that we require in the Manuals or that is required by law or by the lease or sublease for the Franchised Business.

### Purchase Agreements and Cooperatives

We may, in our discretion, negotiate purchase agreements, including price terms, with designated suppliers for source restricted goods and services on behalf of the System. We may establish preferred vendor programs with suppliers on behalf of some or all of the Surv Businesses under the System and, in doing so, we may limit the number of approved vendors and/or suppliers that you may purchase from and we may designate one vendor as your sole supplier. Presently there are no purchase or supply agreements in effect

for source restricted products or services and there are no purchasing or distribution cooperatives that you must join. You will not receive any material benefits for using our designated or approved suppliers.

**Our Right to Receive Compensation and Our Revenue from Source Restricted Purchases** We and/or our affiliates may receive rebates, payments and other material benefits from suppliers based on franchisee purchases and we reserve the right to institute and expand rebate programs in the future. As of the Issuance Date of this Disclosure Document we have not received revenue from suppliers from franchisee purchases of source restricted products or services. We do not provide our franchisees with any material benefits based on a franchisee's purchase of particular products or services or use of particular suppliers.

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**ITEM 9**  
**FRANCHISEE'S OBLIGATIONS**

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

Obligation	Articles in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	2, 3.C.	7, 11
b. Pre-opening purchases and leases	3, 8	7, 8
c. Site development and other pre-opening requirements	3, 4, 7.F., 7.G., 7.I., 7.J., 8, 9	6, 7, 11
d. Initial and ongoing training	4, 7.I., 14.C., 14.D.	11
e. Opening	2, 3, 4, 7, 9	11
f. Fees	3, 4.A., 5, 7.F., 7.J., 8, 9, 10, 12, 13, 14, 15, 16, 18.N.	5, 6, 7
g. Compliance with standards and policies/manual	3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13	8, 11
h. Trademarks and proprietary information	6, 11	13, 14
i. Restrictions on products and services offered	3, 4.C., 7	8, 11, 16
j. Warranty and customer service requirements	3.L., 7	16
k. Territorial development and sales quotas	2, 3	12
l. Ongoing product and service purchases	3, 4.C., 5, 7	8
m. Maintenance, appearance and remodeling requirements	3, 7	7, 17
n. Insurance	8	7, 8
o. Advertising	3.G., 4.B., 7, 9, 11	6, 8, 11
p. Indemnification	10, 11.E.	6, 13
q. Owner's participation, management, staffing	4, 6, 7	11, 15
r. Records and reports	5, 9, 12, 13	6
s. Inspections and audits	5.E., 7.J., 13	6, 11
t. Transfer	14	17
u. Renewal	15	17
v. Post-termination obligations	6, 10, 11, 17, 18	17
w. Non-competition covenants	6, 17, 18	17
x. Dispute resolution	18.F., 18.G.	17
y. Individual guarantee of franchise obligations	2.C., 4, 6, 7.I., 14.C., 14.D., 14.E., 16.D., 17.C.	9

**ITEM 10**  
**FINANCING**

We do not offer direct or indirect financing. We do not guarantee your note, lease or other 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**

1. Grant of Franchise – We will grant to you the right to operate the Franchised Business within a designated Operating Territory. (Franchise Agreement, Article 2);
2. Site Review and Approval of Operating Territory – At the time of signing your Franchise Agreement you will have selected and we will have approved of the Operating Territory within which you will operate the Franchised Business. (Franchise Agreement, Article 2). If permitted by law, you may manage your Surv Business from a home based administrative office for the first 12 months from the Effective Date of this Agreement. If you elect to lease a back-end administrative office and/or operations center, your administrative office and/or operations center must be located within your Operating Territory and be approved by us;
3. Manuals – We will provide you with access to our confidential and proprietary Manuals. You must operate the Franchised Business in accordance with the Manuals and all applicable laws, rules and regulations. At all times, we reserve the right to supplement, modify and update the Manuals. (Franchise Agreement, Article 4.C.). The operations manual as of the Issuance Date of this Disclosure Document currently consists of 140 pages and the table of contents to the operations manual is attached as Exhibit C to this Disclosure Document (Franchise Agreement, Article 4). Major subjects contained in the operations manual consist of establishing, developing, marketing and operating the Franchised Business;
4. Approved Suppliers and Distributors – We will provide you with a list of our approved suppliers and distributors, to the extent that we have designated them, either as part of the Manuals or otherwise in writing. (Franchise Agreement, Articles 3, 4, and 7.F.);
5. Signs, Equipment, Furniture, and Fixtures – We will provide you with a list of our approved signage, equipment, furniture and fixtures, to the extent that we have designated them, either as part of the Manuals or otherwise in writing and we will review and approve, in our discretion, your proposed signage, equipment, furniture and fixtures. We do not provide assistance in delivering or installing signs, equipment, furniture or fixtures. (Franchise Agreement, Articles 3 and 4);
6. Website and Digital Media – We will identify and locate your Surv Business on our website. We strictly control how you may or may not use websites and digital media and you must assign all website media and digital media accounts to us. (Franchise Agreement, Articles 3.G. and 9); and
7. Initial Training – Not less than 45 days prior to the opening of your Surv Business you or your Managing Owner and one management level employee or Owner must attend and complete our initial training program. We will provide you (and up to one of your designated managers) with training in accordance with our initial training program. (Franchise Agreement, Article 4). Our current training program is to be attended by you, or if you are a Corporate Entity, your Managing Owner and one Operating Manager in Cincinnati, Ohio or Newport, Rhode Island. The training program takes place over an approximate one week period and is described below in this Item 11 in more detail.

## **Site Selection**

If permitted by local law, you may operate your Surv Business from a home based administrative office for the first 12 months from the Effective Date of this Agreement. You are responsible for selecting a site for your administrative office and must obtain our approval of your selected location. If you elect to establish an operations center comprised of a non-retail back-office facility to support the operations of your Surv Business, including maintaining inventory, staging service visits, and parking your service vehicle, you are responsible for selecting and securing a site within your Operating Territory. We do not typically own or lease the real property that will serve as your administrative office and/or operations center and you are responsible for all costs and expenses in locating and evaluating proposed sites for your administrative office. We will provide you with site selection guidelines.

Within 30 days of our written receipt and submission of all information and documentation that we may request, we will respond to your proposed request for our approval or disapproval of the proposed location of your administrative office. Factors taken into consideration include characteristics of the proposed site, whether or not the proposed site meets our criteria for non-retail back-office operations, and the location of your proposed site relative to your overall Operating Territory and proximity to other franchisee operating territories.

## **Time to Open**

You may not open your Surv Business until you have completed our initial training requirements, obtained the necessary licensing and authorization from state and regulatory agencies within your Operating Territory and have obtained and provided us with written proof of the required insurance. Within 90 days from the signing of your Franchise Agreement you must open and offer services and products of your Surv Business to the customers within your Operating Territory. We estimate that the length of time between the signing of your Franchise Agreement and opening your Surv Business to be two to three months. Factors that may affect this estimated time period include the length of time undertaken by you to satisfactorily complete our initial training program, obtaining third party lender financing, if necessary, obtaining the necessary licenses, training staff, and leasing and wrapping a service vehicle that meets our standards and specifications.

## **Post-Opening Obligations**

1. **Communication of Operating Standards** – We may establish, update and provide you with consultations and communications as to the standards, procedures and System requirements as to the operation of your Surv Business including, but not limited to, Approved Services and Products, System Supplies, marketing and promotion standards, and as we may, in our discretion, designate, modify, supplement and amend from time to time and, as set forth in the Manuals. (Franchise Agreement, Articles 4.B. and 4.C.);
2. **Marketing Standards and Approval** – We will establish, update and communicate to you our standards for the marketing and promotion of the Franchised Business including, but not limited to, the marketing media that you may use. We will respond to your request respecting the communication of our approval or disapproval of marketing media that may be requested by you for use in the marketing and promotion of the Franchised Business. We maintain full discretion as to the marketing standards and the marketing media that may be used in the marketing and promotion of your Surv Business (Franchise Agreement, Article 4.B.);

3. Approved Vendors – We will provide the names and addresses of approved vendors and suppliers for the Approved Services and Products and the System Supplies. (Franchise Agreement, Articles 4.B. and 4.C.);
4. Annual System Conference – We may, in our discretion, coordinate an annual conference to be attended by franchisees of the System that are in good standing. (Franchise Agreement, Article 5.F.);
5. Supplemental Training – We may require that you and your Operating Manager participate in supplemental on-site training that we may designate and require in our discretion. If you are not meeting what we believe to be System performance standards, we may provide, in our discretion, supplemental training on-site within your Operating Territory. You will be required to pay our then current supplemental training fee, which is currently \$500 per on-site trainer per day, plus travel expenses, meals and accommodation expenses incurred by us. (Franchise Agreement, Article 4.A.);
6. Initial Training for Replacement Operating Managers – Your Operating Manager must complete, to our satisfaction, our initial training program. We will offer and make available to your replacement Operating Manager our initial training program which must be completed to our satisfaction. The initial training program will be provided by us at the facilities that we designate. You will be required to pay our then current supplemental training fee for replacement Operating Managers, which is currently \$500 per manager per day for each replacement manager attending our initial training. If you hire a full-time employee to handle scheduling and customer service functions, you must pay this fee for our trainers to conduct the training.(Franchise Agreement, Articles 4 and 7.I.);
7. Administration of Marketing Funds – We may administer and manage System-wide marketing funds comprised of a Brand Development Fund and/or Advertising Cooperative. (Franchise Agreement, Article 9);
8. Hiring and Training of Employees – We do not provide assistance with the hiring and training of your employees. You will be directly responsible for the management and supervision of your employees. For the protection of the System, you must ensure that all employees wear and maintain the proper uniforms with our approved System branded apparel and uniforms including, but not limited to, the apparel and uniforms comprising System Supplies. Background checks and drug screening must be performed on all employees of your Franchised Business and the report information provided by these checks must be acceptable under the guidelines provided in the Operations Manual. You must pay for the employment screenings (currently in the range of \$17 to \$140 per employee) and employee drug screening (currently in the range of \$3 to \$15 per employee). You must monitor and ensure that all System Supplies and Approved Services and Products are prepared, maintained, and served in accordance with the System standards and Manuals; and
9. Pricing – Except as to national, regional and corporate accounts that we may negotiate, you will exclusively determine the prices that you charge for the Approved Services and Products served and sold by your Surv Business. However, we may suggest pricing levels that we recommend.

### **Advertising**

1. Generally – All advertising, marketing, marketing materials and all marketing mediums used by you in the marketing and promotion of the Franchised Business must be pre-approved by us in writing and conform to our standards and specifications. You may only use those advertising and

marketing materials and mediums that we designate and approve in writing. In our discretion we may make available to you approved marketing templates comprised of pre-approved ads, ad copy and digital media that you may utilize at your own expense. If you wish to utilize marketing materials and/or marketing mediums that are not currently approved by us in writing, you may submit a written request requesting permission and we will approve or disapprove of your request within 15 days of your submission of the written request and sample marketing materials. We are not required to conduct any advertising or spend any amount on your behalf on advertising in your Operating Territory. (Franchise Agreement, Article 9);

2. Franchisee Directed Local Marketing – You are not authorized to engage in any marketing unless it is pre-approved by us, in our discretion. (Franchise Agreement, Article 9.B.). You are required to engage in local marketing and you are required to commit specific minimum amount of funds to your local marketing efforts. We will make available to you and provide you with access, in the form of a source document, to our approved marketing campaigns, media, and messaging that may be used by you. In those instances where we provide you with access to our marketing campaigns, we provide you with the source designs, copy, and design specifications. However, you will incur the direct costs associated with customizing, duplicating and using such marketing campaigns and having them printed, distributed and placed with media sources. (Franchise Agreement, Article 9);
3. Digital Media and Website – All digital media and marketing must be approved by us. We will designate for your Operating Territory information about your Surv Business on the WWW.WESURV.COM webpage or such other websites as we may designate for the System. (Franchise Agreement, Article 9.F.);
4. Brand Development Fund – We control and administer a brand development fund (the “Brand Development Fund”) (Franchise Agreement, Article 9.A.). We do not currently require you to contribute to the Brand Development Fund. However, as disclosed in Item 6 of this Disclosure Document, we may require you to contribute to the Brand Development Fund at any time in the future, provided that we will not require you to contribute more than 2% of your monthly Gross Revenue. We may use the Brand Development Fund for market studies, research, service development, product development, testing, research studies, technology development, advertising and public relations studies or services, creative production and printing of advertising and marketing materials, advertising copy and commercials, tracking costs, agency fees, advertising councils, franchisee advisory councils, administrative costs, which may include reimbursement for direct administrative and personnel costs associated with advertising and public relations, and any other costs associated with the development, marketing and testing of advertising, marketing and public relations materials, and the purchase of media placement, advertising time and public relations materials in national, regional or other advertising and public relations media in a manner determined by us, in our discretion, to be in the best interest of the franchisees and the System. Our company and/or affiliate owned Surv Businesses may but are not required to contribute to the Brand Development Fund. The Brand Development Fund will be required to maintain unaudited financial records detailing its expenditures and will make available to you (no more frequently than one time in any 12-month period) an unaudited accounting of how the monies contributed to the Brand Development Fund were spent each year. We are not required to segregate the Brand Development Fund from our general operating funds and we are not a fiduciary or trustee of the Brand Development Fund. The Brand Development Fund will not be used to directly promote your Surv Business or the marketing area in which your Surv Business will be located. (Franchise Agreement, Article 9.A.). We may utilize the Brand Development Fund to develop and test various media and technologies for potential utilization and/or improvement of the operations of Surv Businesses and the marketing of Surv Businesses. These technology developments and/or improvements may relate, among other things, to our website and to the interaction and potential enhancement of web

offerings that may or may not be implemented on behalf of Surv Businesses. You may or may not benefit from these technology developments and improvements. (Franchise Agreement, Article 9.A.).

We may use the Brand Development Fund to compensate ourselves for administrative fees associated with managing the Brand Development Fund and for our internal employee salaries, expenses and overhead associated with or reasonably allocated to managing the activities of the Brand Development Fund and performing services on behalf of the Brand Development Fund including, but not limited to, directing, developing and managing media of the Brand Development Fund. We will not use the Brand Development Fund to directly market the sale of Surv Business franchises; however, the advertising, marketing and brand development materials developed, including the System website, may contain information as to the availability of Surv Business franchises for sale and contact information for franchise inquiries.

5. Advertising Cooperative – We possess the right to authorize, establish, designate and de-authorize a local or regional advertising cooperative within markets that we designate. We will exclusively determine the geographic and other boundaries constituting each cooperative and factors that we will consider include media markets and distribution channels including print, broadcast, and digital. If we establish a cooperative within a market that includes your Surv Business, you must contribute to the cooperative in such amounts and frequency as determined by the cooperative. Members of the cooperative will be responsible for administering the cooperative, including determining the amount of contributions, marketing expenditures and allocations. We may require that cooperative decisions be made based on approval of a simple majority of franchisee members based on one vote per Surv Business and with a quorum constituting not less than 25% of the designated franchisee cooperative members. If a cooperative exceeds nine franchisee members, we may require that the cooperative establish formal governing documents. Each cooperative must prepare annual unaudited financial statements that must be provided to each cooperative member for review. We reserve the right to form, change, dissolve, or merge any advertising cooperative. If we elect to form a local or regional cooperative or if a cooperative already exists as to the area of your Surv Business, you will be required to participate in the cooperative in accordance with the provisions of our operations manual which we may supplement and modify from time to time. (Franchise Agreement, Article 9.C.). You will not be required to make contributions to a Local or Regional Advertising Cooperative in amounts exceeding the local marketing requirements. As of the Issuance Date of this Disclosure Document we have not established any local or regional advertising cooperatives but reserve the right to do so in the future; and
6. Advertising Council – We have not established an advertising council but reserve the right to do so in the future. (Franchise Agreement, Article 9.A.).

### **Computer System**

You must use the computer systems and Business Management System that we designate, including a point of sale system, CRM, hiring platform, internal applications, accounting software, bookkeeping software and email programs and software that we require. You are required to maintain and operate the following computer equipment and systems: one laptop computer, iPad with cellular access, printer and mobile phone to be used from your administrative office and for each service vehicle that you operate. The cost of the computer system that you are required to purchase ranges from \$3,600 to \$5,600. We reserve the right to modify, change or supplement the Business Management System from time to time and as may be otherwise designated by us in the Manuals. You are responsible for the maintenance and repair of all computer equipment and computer systems that we designate and require. Estimated costs for the maintenance, repair and update of the designated computer systems ranges from \$500 to \$1,000 per year. There are no

contractual obligations imposed on us to maintain, repair, update, or upgrade your computer systems. You are required to provide us with independent access to all of the information and data that is transacted, collected, and stored by the Franchised Business on the Business Management Systems, your computer systems, and otherwise.

**Initial Training**

If this is your first Surv Business, we will provide initial training for you or, if you are a Corporate Entity, your Managing Owner, plus one designated manager. Either you or your Managing Owner, plus your general manager, must successfully complete the initial training program to our satisfaction no later than 45 days prior to the scheduled opening of your Surv Business. The initial training program takes place over an approximate one week period. If more than two individuals attend initial training, you will be charged an additional fee per additional persons attending initial training. Although we provide you or, if you are a Corporate Entity, your Managing Owner, plus your general manager, with initial training at no additional fee or charge, you will be responsible for all travel expenses and employee wages related to your attendance and completion of training. (Franchise Agreement, Article 4). Prior to your initial training you must complete pre-opening activities, including but not limited to, procuring equipment, licensing and pre-launch marketing outreach. Currently, we typically provide our initial training program four to six times per year, approximately every eight to 12 weeks.

**TRAINING PROGRAM**

The following table summarizes the subjects covered in our initial training program:

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
<b>Introduction:</b> Welcome, Our Brand Mission, Values and Guiding Principles	1	0	Cincinnati, Ohio or Newport, Rhode Island
<b>Marketing:</b> Advertising, New Member Offers, Networking, Building the Member Relationship and Developing Your Territory	1	2	Cincinnati, Ohio or Newport, Rhode Island
<b>Personnel:</b> Recruiting, Team Management and Development	1	2	Cincinnati, Ohio or Newport, Rhode Island
<b>Services:</b> Overview, Approved Services, Expanding Our Value to Members with Additional Services	1	2	Cincinnati, Ohio or Newport, Rhode Island
<b>Daily Operations:</b> Providing Services, Daily Procedures, Logistics, Equipment Maintenance, Safety and Security	4	14	Cincinnati, Ohio or Newport, Rhode Island
<b>Technology Training:</b> CRM/Field Management Systems and Scheduling	2	2	Cincinnati, Ohio or Newport, Rhode Island

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
<b>Management:</b> Fiscal Responsibility, Goal Setting, Franchise Reporting and Obligations	8	2	Cincinnati, Ohio or Newport, Rhode Island
<b>Assessment:</b> Review, Next Steps in Planning Launch of Operations	2	1	Cincinnati, Ohio or Newport, Rhode Island
Subtotal Hours	20	25	
Total Hours	45		

Instructional materials that will be used in the initial training process includes our Manuals, live instruction, and handouts. Initial training will be conducted under the direction and supervision of our Founder, Patrick Brown and Jeff Goebel. Since 2011 and continuing to date, Patrick Brown has served as Founder and CEO of a Surv Business located in Newport, Rhode Island and has been our Founder since our inception. Jeff Goebel has been our Vice President of Business Development and Process since our inception and for FirstLight Home Care since 2016. The level of experience of our trainers will, at a minimum, include each trainer’s satisfactory completion of our initial training program. In addition to initial training you will also be required to participate in and satisfy all other training programs that we may designate respecting the Franchised Business. (Franchise Agreement, Articles 4 and 7.J.)

After the opening of your Surv Business, we reserve the right to require that you (or your Managing Owner if you are a Corporate Entity) attend a system-wide training program (the “System-Wide Training Program”) that we may establish in our discretion. If we establish a System-Wide Training Program, the program will be offered from our Founder’s owned Surv Business in Newport, Rhode Island or at our headquarters in Cincinnati, Ohio, and you will be responsible for all travel and expenses, lodging, food, automobile rental expenses, and employee wages that you incur in connection with your attendance. We will not require your attendance at a System-Wide Training Program for more than a total of five days in any calendar year.

If you hire a full-time employee dedicated to handling scheduling and customer service functions, or if your Owner opts to handle scheduling and customer service functions on a full time basis, your employee or Owner will need to successfully complete our training related to such functions. In connection with such training, you will be responsible for all travel and expenses, lodging, food, automobile rental expenses, and employee wages that your incur in connection with your attendance. Training for your dedicated employee or Owner will last approximately three days.

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## **ITEM 12** **TERRITORY**

### Your Location

Under the Franchise Agreement, we will grant to you the right to develop and operate one Surv Business within the Operating Territory.

### Grant of Territory

The scope of your Operating Territory will vary from the scope and size of the operating territories of other franchisees in our System depending on local factors, market conditions, and the number of Territories that you purchase at the time of signing your Franchise Agreement. An Operating Territory, generally, will consist of a geographic area that includes a population of approximately 250,000 people. Population is determined in the aggregate and will be calculated based on raw data and without regard to demographics or age.

### Relocation

Your right to relocate your Surv Business and, thereby, your Operating Territory is not guaranteed and approval of a relocation request by you is completely at our discretion. We evaluate relocation requests on a case-by-case basis and consider factors such as operational history, the location of your Operating Territory, our expansion plans, and other factors that, at the time of a relocation request, are relevant to us.

### Establishment of Additional Franchised Businesses

You do not have the right to establish additional Surv Businesses.

### Options and Rights of First Refusal to Acquire Additional Franchises

You are not granted any options, rights of first refusal, or similar rights to acquire additional franchises.

### Territory Rights

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. However, during the term of the Franchise Agreement, provided that you are not in default of your obligations to us or our affiliates and except as to our Reserved Rights set forth below, we will not open and operate and we will not grant another franchisee the right to open and operate a Surv Business within your Operating Territory.

We and our affiliates reserve to ourselves the exclusive right on any and all terms and conditions that we deem advisable and, without any compensation or consideration to you (Franchise Agreement, Article 2.D.), to engage in the following activities (our "Reserved Rights"): (a) operate and grant to others the right to develop and operate Surv Businesses using the System and Licensed Marks outside your Operating Territory, as we deem appropriate and irrespective of the proximity to your Operating Territory; (b) acquire, be acquired, develop, merge with or otherwise affiliate with one or more businesses of any kind, including businesses that offer and sell products and services that are the same as or similar to your Surv Business, and after such acquisition, development, merger or affiliation, to own and operate and to franchise or license others to own and operate and to continue to own and operate such businesses of any kind, even if such businesses offer and sell products and services that are the same as or similar to the Franchised Business (but not utilizing the Licensed Marks) within your Operating Territory; (c) use the Licensed Marks and

System to distribute the Approved Services and Products offered and sold by the Franchised Business or products and services similar to the Approved Services and Products offered and sold by the Franchised Business in alternative channels of distribution including the internet, catalog sales, telemarketing, or other direct marketing sales within or outside your Operating Territory; (d) use the Licensed Marks and System to offer, sell, and provide the Approved Services and Products offered and sold by the Franchised Business or products and services similar to the Approved Services and Products offered and sold by the Franchised Business on behalf of customers of local, regional, and/or national corporate accounts such as U-haul and Penske (referred to as "Corporate Accounts") within or outside your Operating Territory; and (e) use the Licensed Marks and System and to license others to use the Licensed Marks and System, to engage in all other activities not expressly prohibited by the Franchise Agreement.

#### Corporate Accounts Program

If we establish a Corporate Accounts Program where we engage in a contract or service agreement with a Corporate Account service provider, we will offer you the opportunity to participate in the program under the guidelines and rules that we develop from time to time and subject to the pricing criteria and requirements that we establish. You will have an option to refuse to participate in Corporate Accounts Programs, but if you do, you agree that we can service the Corporate Accounts in your Operating Territory or authorize others, including other franchisees, to perform work for the Corporate Accounts. All pricing and fees charged in connection with Corporate Accounts will be at rates negotiated and determined by us. We or our designee are not obligated to pay you for servicing Corporate Account customers that you have elected not to service under our Corporate Accounts Program.

#### Soliciting by You Outside Your Territory and Territory Rules

Except as described in this paragraph or otherwise approved in advance by us in writing, you must not offer services to individuals who will be served outside of the Operating Territory. Due to the natural circulation of printed media or the reach of television, radio, and Internet advertising, we acknowledge that your local marketing may be viewed by individuals located outside of the Operating Territory. If approved in advance by us in writing, you may advertise to, and solicit, customers located in "non-franchised" areas until the "non-franchised" area becomes an operating territory of another Surv franchisee; provided, however, that advertising and/or solicitation materials may be placed in or targeted to a non-operating territory only if the placement may be discontinued within 14 days following notification by us that the area is no longer "non-franchised." "Non-franchised" area means an area where we have not granted territorial, exclusive or protected rights to another Surve franchisee.

If approved in advance by us in writing, you may solicit and service customers located in non-operating territory until such time as the non-operating territory becomes an operating territory of another Surv franchisee; provided, however, that marketing, advertising and/or promotional materials may be placed in or targeted to a non-franchised operating territory only if the materials can be removed within 14 days following notification by us that the area is no longer "non-franchised." We reserve the right to revoke this approval at any time with written notice. Except as described above, you are restricted from soliciting or servicing any customers located outside of your Operating Territory, whether directly or through other channels such as the Internet, catalog sales, telemarketing or other direct marketing.

#### Restrictions on Us from Soliciting or Accepting Orders in Your Territory

Except as otherwise noted above, there are no restrictions on us from soliciting or accepting orders from customers inside your Operating Territory. We reserve the right to use other channels of distribution, such as the internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within your Operating Territory using our principal trademarks or using trademarks different from the ones you will

use under the Franchise Agreement. We do not pay any compensation to you for soliciting or accepting orders from inside your Operating Territory.

Competition by Us Under Different Trademarks

We do not have plans to operate or franchise a business under trademarks different from the Licensed Marks that sells or will sell goods or services similar to those that will be offered by you through the Franchised Business.

**ITEM 13**  
**TRADEMARKS**

Under the terms of the Franchise Agreement, you will be granted a license to use the “Surv” trademark and those other marks identified in the table below in connection with the operations of the Franchised Business. We reserve the right to supplement and modify the marks that you may or may not use in connection with the operations of your Surv Business. You may only use the Licensed Marks as authorized by us in writing and under the terms of your Franchise Agreement. You may not use the Licensed Marks in the name of any Corporate Entity that you establish.

Mark	Registration Number	Application Type	Registration Date
Surv	7535875	Principal	October 15, 2024
Surv	7535862	Principal	October 15, 2024
Surv	7535877	Principal	October 15, 2024
Your To-Do List Partner	7611236	Principal	December 17, 2024

We have or will file all required affidavits. No registrations have been up for renewal. There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board and/or the trademark administrator in any state or any court; no pending infringement, opposition or cancellation proceedings; and no pending litigation involving the Licensed Marks. We know of no superior rights or infringing uses that could materially affect your use of the Licensed Marks or other related rights in any state.

You are required to provide us with written notice of any claims that you may become aware of respecting the Licensed Marks, including your use of the Licensed Marks and/or any claim associated with a third party’s use of a trademark that is identical or confusingly similar to the Licensed Marks. We maintain the exclusive discretion to take any and all actions, or to refrain from any action, that we believe to be appropriate in response to any trademark infringement, challenge or claim. As between us, we possess the sole right to exclusively control any and all litigation, legal proceedings, administrative proceedings and/or settlement(s) involving any actual or alleged infringement, challenge or claim relating to the Licensed Marks. You must sign all documents, instruments and agreements and undertake the actions that we, with the advice of our legal counsel, determine to be necessary or advisable for the protection and/or maintenance

of our interests in the Licensed Marks in any legal proceeding, administrative proceeding or as may be otherwise determined by us. As to the foregoing, we will reimburse you for the reasonable out-of-pocket administrative expenses that you incur and pay in complying with our written instructions.

We will protect your right to use the Licensed Marks and other related rights and protect you against claims of infringement and unfair competition related to the Licensed Marks, provided that you use the Licensed Marks in accordance with the terms of your Franchise Agreement, as designated by us in the Manuals, and otherwise, as we instruct you. We will indemnify you against direct damages for trademark infringement in a proceeding arising out of your use of the Licensed Marks, provided your use of the Licensed Marks comply with the terms of your Franchise Agreement, the Manuals, our written instructions, and that you have timely notified us of the claim, have given us sole control of the defense and settlement of the claim, and you are in compliance with your Franchise Agreement. If we defend the claim, we have no obligation to indemnify or reimburse you with respect to any fees or disbursements of any attorney that you retain.

If any third party establishes, to our satisfaction and in our sole discretion, that its rights to the marks are, for any legal reason, superior to any of our rights, then we will modify and/or replace the Licensed Marks and you must use the variances or other service marks, trademarks or trade names required by and as determined by us. Our sole liability and obligation in such event is to reimburse you for the direct out-of-pocket costs of complying with this obligation, which you must document to our satisfaction, including, by way of example, alterations in signage and replacement of marketing materials. There are no agreements currently in effect that significantly limit our rights to use or license the use of the Licensed Marks in any manner material to you.

#### **ITEM 14** **PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

We do not own any rights to, or licenses in any patent or copyrights material to the franchise System. We may copyright advertising materials and design specifications, our Manuals and other written materials and items. We have not applied to the USPTO for the issuance of any patents.

You must keep as confidential our Manuals and any supplements to the Manuals. Our Manuals may take the form of written materials and/or digitally distributed and stored materials and made available to you for use in connection with the Franchised Business. The Manuals contain information about our System, Approved Services and Products, System Supplies, proprietary products, marketing systems, training, and confidential methods of operation. You must use all reasonable and prudent means to maintain the Manuals and the information maintained in the Manuals as confidential and prevent any unauthorized copies, recordings, reproduction, or distribution of the Manuals or the information contained in the Manuals. You must restrict access to the Manuals to management level employees who sign a confidentiality agreement with you and are required by you to maintain the confidentiality of the Manuals and refrain from distributing or disclosing the Manuals and the information contained in the Manuals. You must provide us with immediate notice if you learn of any unauthorized use of the Manuals or of the information contained in the Manuals, or any infringement or challenge to the proprietary or confidentiality of the information contained in the Manuals. We will take any and all action(s), or refrain from taking action, that we determine, in our discretion, to be appropriate. We may control any action or legal proceeding we choose to bring. We need not participate in your defense or indemnify you for damages or expenses in a proceeding involving a copyright or patent. If any third party establishes to our satisfaction, in our discretion, that it possesses rights superior to ours, then you must modify or discontinue your use of these materials in accordance with our written instructions.

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

The Franchise Agreement requires that you or, if you are a Corporate Entity, that your managing shareholder or partner be personally responsible for the daily management and supervision of the Franchised Business (the “Managing Owner”). We must approve your Managing Owner and your Managing Owner must dedicate his or her full time efforts to the management and operation of the Franchise. Your Managing Owner must have satisfactorily completed our initial training and must have obtained all required licenses and permits necessary to operate a Surv Business within your Operating Territory.

You may hire a manager to assume responsibility for the daily management and supervision of the Franchised Business, only if: (a) the manager meets all of our minimum standards and criteria for managers; (b) the manager completes our initial training program; (c) the manager signs our confidentiality and non-competition agreements; and (d) the manager agrees, in writing, to assume responsibility for the on-site management and supervision of the Franchised Business (an “Operating Manager”). All of your employees and other agents and representatives who may have access to our confidential information must sign a confidentiality agreement. We may require that the Operating Manager own an equity interest in the franchise.

You, and if you are a partnership or Corporate Entity, each of your members, shareholders and/or partners (collectively, “Owners”), must personally guarantee all of your obligations to us under the Franchise Agreement. Each Owner and Owner’s spouse must personally guarantee your obligations to us under the Franchise Agreement. You must also promise in writing that, among other things, during the term of the Franchise Agreement you will not participate in any business that in any way competes with a Surv Business, and that for 24 months after the expiration or termination of the Franchise Agreement with said period being tolled during any periods of non-compliance, you will not participate in any competitive business located within and/or servicing customers located within your Operating Territory and a 25 mile radius surrounding your Operating Territory. Further you will not participate in any competitive business located within and/or servicing customers located within the operating territory of any other Surv Business. Your managers will be required by us to sign a confidentiality agreement.

**ITEM 16**  
**RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You may only sell the products and services specified or approved by us in writing. You must sell the products and services required by us. We can change the products and services that you must offer. There is no limitation on our right to change the products and services offered by Franchised Business. You are not limited to whom you may sell your products and services, provided you do so exclusively from within your Operating Territory and to/on behalf of customers that are located within your Operating Territory and in compliance with the standards we have determined for the System.

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

**THE FRANCHISE RELATIONSHIP**

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

Provision	Article in Franchise Agreement	Summary
a. Length of the franchise term	2.B.	The term of your Franchise Agreement is 10 years.
b. Renewal or extension of the term	15	If you meet our conditions for renewal, you may renew your franchise for one additional 10 year renewal term.
c. Requirements for franchisee to renew or extend	15	To renew your franchise, you must be in compliance with the terms of your Franchise Agreement, provide us with 180 days prior written notice of your request to renew, sign our then current form of Franchise Agreement and related agreements for the renewal term, sign a general release in our favor, pay a renewal fee, and meet all other renewal requirements contained in the Franchise Agreement. Your Owners must be in compliance with their agreements with us, including the Owner and Spouse Agreement, and Guaranty, and they must personally guarantee the terms of your renewal Franchise Agreement, which may contain terms materially different from your current Franchise Agreement.
d. Termination by franchisee	16.B.	You may terminate the Franchise Agreement if you are in compliance with its terms, we are in material breach of the Franchise Agreement, and we fail to cure the material breach within 30 days of receiving written notice or, if the breach cannot be cured within 30 days, such period of time that is reasonable to cure the material breach.
e. Termination by franchisor without cause	Not applicable	Not applicable.
f. Termination by franchisor with "cause"	16.A.	We can terminate if you are in default of the terms of the Franchise Agreement.
g. "Cause" defined-curable defaults	16.A.(3), 16.A.(4)	You have 10 days to cure a default where you fail to pay any fees and/or obligations due to us and/or to an affiliate of ours or if you fail to pay a supplier without, as determined by us, a legal justification, provided that the foregoing defaults were not intentionally and knowingly in violation of the Franchise Agreement. You will have 30 days to cure a default where you fail to: timely lease a location that we approve for your Surv Business; timely develop and open your Surv Business; operate your Surv Business in accordance with the specifications, standards, and requirements set forth in our Manuals; develop or operate your Surv Business in compliance with all federal, state, and local laws, rules, and regulations, unless, such violation poses a threat to public health or safety; maintain insurance coverage that we require; comply with our standards,

Provision	Article in Franchise Agreement	Summary
		systems or specifications as we may designate or as otherwise designated in the operations manual; fail to operate your Surv Business in conformity with our System or otherwise violate the Franchise Agreement, except as to events of default that are not curable.
h. "Cause" defined-non-curable defaults	16.A.(1), 16.A.(2)	The following are defaults that cannot be cured: three or more instances where you commit a curable default, whether or not you timely cured such default in each instance; you intentionally and knowingly refuse to comply with the terms of the Franchise Agreement, and/or the standards specifications, and/or requirements set forth in the operations manual and/or as communicated to you by us from time to time; you intentionally, knowingly, or negligently operate the Franchised Business in violation of applicable laws, rules, and regulations and, in doing so, create a foreseeable, imminent, and/or immediate threat to the health and safety of others; you abandon the Franchised Business; you or your Owners intentionally made a material statement or omission in questionnaires submitted to us; the data, information, and/or records that you record and/or submit to us are intentionally misleading or false; you transfer or attempt to transfer the Franchised Business or the ownership interests in your franchise company without our approval; you disclose or permit the disclosure of information contained in the operations manual and/or of confidential information; you or your Owners engage in intentionally dishonest or unethical conduct that impacts our System; you and/or your Owners breach and, if such breach is capable of a cure, fail to timely cure another agreement with us, including the Owner and Spouse Agreement and Guaranty; you and your Owners and managers fail to complete, to our satisfaction, our initial and on-going training programs; you fail to notify us of the misuse of confidential information and you fail to protect same; you misappropriate or misuse the Licensed Marks; you are deemed insolvent, make an assignment for the benefit of creditors, admit in writing your inability to pay debts; are adjudicated bankrupt, file a voluntary bankruptcy petition or have one filed against you, and/or you acquiesce to the appointment of a trustee or receiver, or a court orders one; execution is levied against the Franchised Business; a final judgment is entered against the Franchised Business and is not satisfied within 30 days; you are dissolved; a lawsuit or action is commenced against the Franchised Business to foreclose on a lien on equipment of the Franchised Business and such action is not dismissed after 60 days; real or personal property used by the Franchised Business is sold or levied by a sheriff or other law enforcement officer; and/or you abandon or fail to continuously own and operate the Franchised Business.

Provision	Article in Franchise Agreement	Summary
i. Franchisee’s obligations on termination/non-renewal	6, 17	You must: pay all sums that you owe to us under the Franchise Agreement and all other agreements with us; cease owning and operating the Franchised Business; cease representing yourself as a franchisee of ours; permanently cease using and/or accessing the System, the Licensed Marks, our confidential information, the Manuals, the Business Management System, the Business Management System Data, and the System Supplies; return the Manuals and all confidential information to us in the original form provided to you and document the destruction of all electronic files related to same; completely de-identify the location and/or facility associated with the Franchised Business; as requested by us, transfer to us all data, telephone listings, digital media, accounts, web listings and websites associated with the Franchised Business; and abide by the post-termination non-competition covenants and restrictions.
j. Assignment of the contract by franchisor	14.A.	No restriction on our right to assign.
k. “Transfer” by franchisee-definition	14.B.	A transfer means and includes, whether voluntary or involuntary, conditional or unconditional, direct or indirect: (a) an assignment, sale, gift, transfer, pledge or sub-franchise; (b) the grant of a mortgage, charge, lien or security interest, including, without limitation, the grant of a collateral assignment; (c) a merger, consolidation, exchange of shares or other ownership interests, issuance of additional ownership interests or securities representing or potentially representing ownership interests, or redemption of ownership interests; and (d) a sale or exchange of voting interests or securities convertible to voting interests, or an agreement granting the right to exercise or control the exercise of the voting rights of any holder of ownership interests or to control the operations or affairs of Franchisee.
l. Franchisor’s approval of transfer by franchisee	14.B.	Transfers require our prior written consent, which may be granted or withheld in our discretion.
m. Conditions for franchisor’s approval of transfer	14.C.	For approval of your transfer, you must provide us with 30 days prior written notice of the proposed transfer; you and your Owners must not have defaulted in your obligations under the Franchise Agreement and all other agreements with us; you and your Owners must be in compliance with your obligations under the Franchise Agreement and all other agreements with us; the transferee must agree to be bound by all of the terms and provisions of the Franchise Agreement; the transferee’s owners and their spouses must personally guarantee all of the terms and provisions of the Franchise Agreement; you and your Owners and their spouses must sign a general release in favor of us; the transfer must provide for the assignment and/or ownership of the approved location for the Franchised Business, and the transferee’s continued use and occupancy of such

Provision	Article in Franchise Agreement	Summary
		location throughout the term of the Franchise Agreement; the assets of the Franchised Business must be transferred to the transferee; the transferee and the transferee's owners and managers, at the transferee's expense, must complete our training programs; we waive our right of first refusal; we approve of the transfer and transferee in writing and subject to our discretion; and you pay the Transfer Fee (subject to applicable state laws).
n. Franchisor's right of first refusal to acquire franchisee's business	14.F.	We have the right to match any offer to purchase your Surv Business or the Corporate Entity operating your Surv Business.
o. Franchisor's option to purchase franchisee's business	Not applicable	Not applicable.
p. Death or disability of franchisee	14.D.	If you are an individual, within 30 days of your death or permanent disability, your executor and/or legal representative must appoint an Operating Manager approved by us and within 60 days of such appointment the Operating Manager must complete, to our satisfaction, our initial training program. Within 12 months of the date of death or disability, the Franchise Agreement must be transferred to a transferee approved by us and otherwise transferred in accordance with the terms of the Franchise Agreement. If the franchisee is a Corporate Entity, within 30 days of the death or permanent disability of your Managing Owner, if there are other Owners, you must appoint a replacement Operating Manager approved by us and within 60 days of such appointment the replacement Operating Manager must complete, to our satisfaction, our initial training program.
q. Non-competition covenants during the term of the franchise	6	No involvement in any competitive business and must comply with confidentiality, non-disclosure and non-solicitation covenants.
r. Non-competition covenants after the franchise is terminated or expires	6, 17	No involvement, ownership or interest whatsoever for 2 years in any competing business in: your Operating Territory, a 25 mile radius from the boundary of your Operating Territory; the Operating Territory of any other Surv Business, or within a radius of 10 miles from the boundary from any other Surv Business' operating Territory; and you must comply with confidentiality, non-disclosure and non-solicitation covenants (subject to state law).
s. Modification of the agreement	18.L.	Requires writing signed by you and us, except for unilateral changes that we may make to the Manuals or our unilateral reduction of the scope of a restrictive covenant that we may make in our discretion.
t. Integration/merger clauses	18.M.	Only the terms of the Franchise Agreement and schedules to the Franchise Agreement and the respective signed exhibits to the Franchise Agreement are binding, subject to state law. Nothing in any agreement is intended to disclaim

Provision	Article in Franchise Agreement	Summary
		the express representations made in the Franchise Disclosure Document, its exhibits and amendments
u. Dispute resolution by arbitration or mediation	18.G.	First mediation and then binding arbitration before the American Arbitration Association (“AAA”) at our headquarters (currently, Cincinnati, OH) or at the AAA’s office closest to our headquarters (subject to state law). Nothing precludes our right to seek injunctive relief before any court of competent jurisdiction.
v. Choice of forum	18.G.	Litigation must be filed in Hamilton County, Ohio or the Southern District of Ohio (subject to state law).
w. Choice of law	18.F.	Ohio law applies (subject to state law).

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

We do not currently use any public figure to promote our franchise. No public figure is currently involved in our management.

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

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the Disclosure Document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) 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.

**DEFINITIONS**

- (a) Calendar Year – means, as to each respective year, the 12 month period commencing on January 1 and ending on December 31.
- (b) Cost of Goods Sold – means the following direct non-managerial and non-administrative cost of goods and services sold and incurred by an Outlet in directly providing the Approved Services and Products: truck rentals, tool rentals and fuel. Cost of Goods Sold does not include marketing expenses, insurance expenses, operating expenses, general expenses including, but not limited to interest, taxes, depreciation, amortization, and Franchise Related Expenses.
- (c) Direct Gross Profit – means Gross Revenue less Cost of Goods Sold. Direct Gross Profit is not net profit or income and, except as to Cost of Goods Sold, does not include the deduction of all other expenses incurred by Surv Business including, but not limited to, managerial labor and expenses, administrative labor and expenses, marketing expenses, insurance expenses, operating expenses, general expenses including, but not limited to interest, taxes, depreciation, amortization, and Franchise Related Expenses.
- (d) Disclosed Expenses – means the following select expenses: advertising and marketing, merchant processing fees, office supplies, insurance expenses, vehicle expense, occupancy expenses, legal and professional fees, miscellaneous expenses.
- (e) Founder Owned Outlet – means an Outlet owned either directly or indirectly by our Founder identified in Item 2 of this Disclosure Document.
- (f) Franchise Related Expenses – means the following select fees currently required under the Franchise Agreements: Royalty Fees, Brand Development Fund Fees, Operating Platform Fees, and local marketing expenditures. Franchise Related Expenses does not include all fee and payment obligations required under a Franchise Agreement.
- (g) Gross Revenue – means the total revenue derived by each Surv Business less sales tax, discounts, allowances, and returns.
- (h) Job – means a specific project or defined set of tasks designated by a customer and which may require one or more service visits by the Surv Business.
- (i) Member – refers to a customer of a Surv Business that receives services that are provided as part of a Membership.
- (j) Member Conversion Rate – means a Member Lead that purchases a Membership and becomes a New Member in the Calendar Year.

(k) Member Lead – means an individual or business entity that has expressed interest in becoming a Member and that was not previously a Member.

(l) Membership – refers to a subscription membership sold by a Surv Business that entitles a Member to a fixed price for the Approved Services and Products and is based on a set amount of hours. Membership Programs are offered on a month-to-month basis or a 12-month basis.

(m) New Member – refers to a Member of a Surv Business that signed up for a Membership during the Calendar Year and who did not sign up for or maintain a Membership during any prior Calendar Year.

(n) “Total Direct Labor Cost” – means the direct non-owner labor expenses incurred for employees that directly perform or provide services resulting in Gross Revenue and includes wages, payroll taxes, workers’ compensation, and paid employee benefits, if any.

### **BASES AND ASSUMPTIONS**

The financial information was not prepared on a basis consistent with generally accepted accounting principles. Data for our Founder Owned Outlet is based on information reported to us by our Founder. As of December 31, 2024, there were 4 franchised Surv Businesses in operation. The data below does not include information for these franchised Surv Businesses because they have not been in operation for 12 months or more as of December 31, 2024. The information in this analysis has not been audited, is based on historical financial data.

### **ANALYSIS OF RESULTS OF FOUNDER OWNED OUTLET**

During the 2024 Calendar Year we had one Founder Owned Outlet. This Founder Owned Outlet was open during the entire 2024 Calendar Year, and thus qualified as an Operational Founder Owned Outlet.

Table 1 below provides a summary of our Operational Founder Owned Outlet. In Table 2 and Table 3 we disclose select financial information regarding our Operational Founder Owned Outlet.

Table 1

<b>Founder Owned Outlet: Surv East Bay, Rhode Island</b>	
<b>Outlet</b>	<b>Outlet Description</b>
Surv East Bay, Rhode Island	Our Surv East Bay, Rhode Island Outlet commenced operations in January 2021. This Outlet operates in an Operating Territory with a population of approximately 250,000 people, which is the equivalent of 1 Territory. This Outlet operates two service vehicles within the Operating Territory and operates from a commercial administrative office comprised of approximately 1,000 square feet. This Outlet is representative of the Franchised Business and constitutes an Operational Founder Owned Outlet for the 2024 Calendar Year.

Table 2

<b>Founder Owned Outlet: Surv East Bay, Rhode Island</b>		
	<b>2024 Calendar Year</b>	
	Total	% <sup>1</sup>
<b>Total Gross Revenue</b>	<b>\$1,394,054</b>	100.00%
Less: Cost of Goods Sold		
Total Direct Labor Cost	\$646,274	46.40%
Cost of Goods Sold	\$153,184	11.00%
Total Cost of Services Provided	\$849,179	60.90%
<b>Direct Gross Profit</b>	<b>\$544,876</b>	39.10%
Less: Disclosed Expenses		
Advertising and Marketing	\$51,899	3.72%
Merchant Processing Fees	\$39,284	2.82%
Office Supplies	\$13,445	1.00%
Insurance Expenses	\$14,139	1.00%
Vehicle Expense	\$4,168	0.30%
Occupancy Expense	\$11,114	0.80%
Legal and Professional Fees	\$1,290	0.10%
<b>Gross Profit Less Disclosed Expenses</b>	<b>\$409,536</b>	29.40%
Less: Adjustments for Franchise Related Expenses		
Royalty Fee <sup>2</sup>	\$97,584	7.00%
Brand Development Fund Fee <sup>3</sup>	N/A	N/A
Operating Platform Fee <sup>4</sup>	\$12,600	0.90%
Local Marketing <sup>5</sup>	\$0.00	0.00%
<b>Direct Gross Profit Less Disclosed Expenses and Franchise Related Expense</b>	<b>\$299,352</b>	21.47%
Notes to Table:		
<sup>1</sup> “%” represents the percentage of total Gross Revenue.		
<sup>2</sup> The Royalty Fee is equal to the greater of 7% of Gross Revenue or the Minimum Weekly Royalty Fee Requirement. For the 2024 Calendar Year, our Outlet would have paid Royalty Fees in the amount of 7% of its Gross Revenue.		
<sup>3</sup> The Brand Development Fund Fee is currently not assessed. We reserve the right to increase the Brand Development Fund Fee to up to 2% of Gross Revenue at any time in the future.		
<sup>4</sup> The Operating Platform Fee is currently \$1,050 per month.		
<sup>5</sup> On an on-going monthly basis, you must spend not less than 3.5% of your Gross Revenue, but not less than \$1,200 per month for each Operating Territory, on the local marketing of your Surv Business. Our Founder Owned Outlet spent \$51,899 on local marketing during the 2024 Calendar Year. As such, we do not include an adjustment for local marketing.		

Table 3

<b>Key Operation Metrics of Founder Owned Outlet: Surv East Bay, Rhode Island– 2024</b>	
Total Job Leads	5109
Total Jobs	2773
Job Conversion Rate	53.66%
Avg Job Size	\$500
Total Revenue	\$1,387,724
% of Revenue from Membership	41.37%
Total Member Leads	239
Total New Members	151
Annual Member Retention Rate	83%
Total Members	324
Member Conversion Rate	63.18%

**Some Outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.**

Written substantiation of the data used in preparing these sales figures will be made available to you upon reasonable request.

Other than the preceding financial performance representations, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Glee McAnanly, Surv Franchisor, LLC, 7870 East Kemper Road, Suite 400, Cincinnati, Ohio 45259, (513) 344-4900, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20**  
**OUTLETS AND FRANCHISEE INFORMATION**

**TABLE NO. 1**  
**SYSTEMWIDE OUTLET SUMMARY**  
**FOR YEARS 2022 to 2024**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	0	0	0
	2023	0	0	0
	2024	0	4	+4
Company Owned*	2022	1	1	0
	2023	1	1	0
	2024	1	1	0
Total Outlets	2022	1	1	0
	2023	1	1	0
	2024	1	5	+4

\*This Surv business is owned and operated by one of our officers.

**TABLE NO. 2**  
**TRANSFER OF OUTLETS FROM FRANCHISEES TO NEW OWNERS**  
**(OTHER THAN THE FRANCHISOR)**  
**FOR YEARS 2022 to 2024**

State	Year	Number of Transfers
None	2022	0
	2023	0
	2024	0

**TABLE NO. 3**  
**STATUS OF FRANCHISED OUTLETS**  
**FOR YEARS 2022 to 2024**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non Renewals	Reacquired by Franchisor	Ceased Operations for Other Reasons	Outlets at 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

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non Renewals	Reacquired by Franchisor	Ceased Operations for Other Reasons	Outlets at End of Year
Michigan	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
North Carolina	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Tennessee	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Totals	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	4	0	0	0	0	4

**TABLE NO. 4  
STATUS OF COMPANY OWNED OUTLETS  
FOR YEARS 2022 to 2024**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired by Franchisor	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Rhode Island*	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Totals	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1

\*This Surv business is owned and operated by one of our officers.

**TABLE NO. 5  
PROJECTED OPENINGS  
AS OF DECEMBER 31, 2024**

State	Franchise Agreement Signed but Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company Owned Outlets in the Next Fiscal Year
Colorado	0	1	0
Connecticut	0	1	0

State	Franchise Agreement Signed but Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company Owned Outlets in the Next Fiscal Year
Florida	0	2	0
Georgia	0	1	0
Massachusetts	0	1	0
New Jersey	0	1	0
North Carolina	0	3	0
Ohio	0	2	0
Pennsylvania	0	1	0
Tennessee	0	2	0
Texas	0	2	0
Totals	0	17	0

Notes to Tables:

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

During the last three fiscal years, no current or former franchisees have signed confidentiality clauses with us that restrict them from discussing with you their experiences as a franchisee in our franchise system. There are no trademark-specific franchisee organizations associated with the franchise system being offered in this Disclosure Document.

Exhibit F to this Disclosure Document contains a list, as of the Issuance Date of this Disclosure Document, of current Surv Franchisor, LLC franchisees.

Exhibit G to this Disclosure Document contains a list of every franchisee who had an outlet terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the Issuance Date of this Disclosure Document.

**ITEM 21  
FINANCIAL STATEMENTS**

The audited financial statements of our affiliate, Cornerstone Franchise Brands, LLC, as of December 31, 2024, December 31, 2023, and December 31, 2022, are attached as Exhibit D. Because we have not been franchising for three years or more, we do not have three years of audited financial statements. Cornerstone Franchise Brands, LLC absolutely and unconditionally guarantees our obligations under your Franchise Agreement. See Exhibit I for a copy of the written guarantee.

**ITEM 22**  
**CONTRACTS**

Attached to this Disclosure Document or to the Exhibits attached to and comprising the Franchise Agreement attached to this Disclosure Document are copies of the following franchise and other contracts and agreements in use or proposed for use:

Exhibits to this Disclosure Document

Exhibit E Franchise Agreement  
Exhibit H State Specific Amendments

Schedules and Exhibits to the Franchise Agreement

Schedule <u>1</u> Operating Territory	Exhibit <u>1</u> Owner and Spouse Agreement and Guaranty
Schedule <u>2</u> Statement of Franchisee's Owners	Exhibit <u>2</u> Confidentiality Agreement
	Exhibit <u>3</u> Assignment of Telephone Numbers and Digital Media Accounts
	Exhibit <u>4</u> ACH Authorization Form
	Exhibit <u>5</u> General Release

Individual state law may supersede the provisions contained in your Franchise Agreement respecting the requirement that you execute a general release as a condition to assignment, sale or transfer. See, the state specific addendums contained in Exhibit H of this Disclosure Document and the state specific addendums attached to the Franchise Agreement and forming a part of Exhibit E.

**ITEM 23**  
**RECEIPTS**

Two copies of a detachable receipt in Exhibit K 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: Glee McAnanly, Surv Franchisor, LLC, 7870 East Kemper Road, Suite 400, Cincinnati, Ohio 45259. The duplicate is for your records.



Franchise Disclosure Document  
**Exhibit A - State Administrators**

List of State Administrators

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**California**

Department of Financial Protection and Innovation  
320 West 4th Street, Suite 750  
Los Angeles, CA 90013

2101 Arena Boulevard  
Sacramento, CA 95834  
866-275-2677

**Connecticut**

Connecticut Banking Commissioner  
Department of Banking  
Securities & Business Investments Division 260  
Constitution Plaza  
Hartford, CT 06103

**Florida**

Division of Consumer Services  
Attn: Business Opportunities  
2005 Apalachee Parkway  
Tallahassee, FL 32399

**Hawaii**

Commissioner of Securities  
Department of Commerce & Consumer Affairs Business  
Registration Division  
335 Merchant Street, Room 203  
Honolulu, HI 96813

**Illinois**

Office of the Attorney General  
Franchise Bureau  
500 South Second Street  
Springfield, IL 62706

**Indiana**

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

**Kentucky**

Office of the Attorney General  
Consumer Protection Division  
Attn: Business Opportunity  
1024 Capital Center Drive  
Frankfort, KY 40601

**Maine**

Department of Professional and Financial Regulations  
Bureau of Banking  
Securities Division  
121 Statehouse Station  
Augusta, ME 04333

**Maryland**

Office of the Attorney General  
Securities Division  
200 St. Paul Place  
Baltimore, MD 21202

**Michigan**

Michigan Department of the Attorney General  
Consumer Protection Division  
Antitrust and Franchise Unit  
670 Law Building  
P.O. Box 30213  
Lansing, MI 48909

**Minnesota**

Minnesota Department of Commerce Securities  
Division  
85 7th Place East, Suite 280  
St. Paul, MN 55101

**Nebraska**

Nebraska Department of Banking and Finance  
Commerce Court  
1230 O Street, Suite 400  
Lincoln, NE 68509

**New York**

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

**Utah**

Utah Department of Commerce  
Division of Consumer Protection  
160 East Three Hundred South  
P.O. Box 146704  
Salt Lake City, UT 84114

## List of State Administrators

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### **North Carolina**

Secretary of State  
Securities Division  
300 North Salisbury Street, Suite 100  
Raleigh, NC 27603

### **North Dakota**

Securities Department  
600 East Boulevard Avenue, State Capitol Fourteenth  
Floor, Department 414  
Bismarck, ND 58505  
701-328-4712

### **Rhode Island**

Director, Department of Business Registration  
Securities Division  
1511 Pontiac Avenue  
John O. Pastore Complex – Building 68-2  
Cranston, RI 02920

### **South Carolina**

Office of the Secretary of State  
1205 Pendleton Street  
Edgar Brown Building, Suite 525  
Columbia, SC 29201

### **South Dakota**

Franchise Office  
Division of Securities  
124 S. Euclid Avenue  
Pierre, SD 57501

### **Texas**

Office of the Secretary of State  
Statutory Document Section  
1019 Brazos Street  
Austin, TX 78701

### **Virginia**

State Corporation Commission  
Division of Securities and Retail Franchising  
1300 E. Main Street, 9th Floor  
Richmond, VA 23219

### **Washington**

Department of Financial Institutions  
Securities Division  
P.O. Box 9033  
Olympia, WA 98507  
360-902-8700

### **Wisconsin**

Franchise Office  
Wisconsin Securities Commission  
P.O. Box 1768  
Madison, WI 53701  
Franchise Disclosure Document



Franchise Disclosure Document  
**Exhibit B – Agents for Service of Process**

Agents for Service of Process

**California**

Department of Financial Protection and  
Innovation 320 West 4th Street, Suite 750  
Los Angeles, CA 90013

2101 Arena Boulevard  
Sacramento, CA 95834  
866-275-2677

**Connecticut**

Banking Commissioner  
Department of Banking  
Securities and Business Investment Division 260  
Constitution Plaza  
Hartford, CT 06103

**Hawaii**

Commissioner of Securities  
Department of Commerce & Consumer Affairs  
Business Registration Division  
335 Merchant Street, Room 203  
Honolulu, HI 96813

**Illinois**

Illinois Attorney General  
500 South Second Street  
Springfield, IL 62706

**Maryland**

Maryland Securities Commissioner  
200 St. Paul Place  
Baltimore, MD 21202

**Michigan**

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

**Minnesota**

Commissioner of Commerce of Minnesota  
Department of Commerce  
85 7th Place East, Suite 280  
St. Paul, MN 55101

**New York**

Secretary of the State of New York  
99 Washington Avenue  
Albany, NY 12231

**North Dakota**

North Dakota Securities Department Securities  
Commissioner  
600 East Boulevard Avenue,  
State Capitol Fifth Floor, Department 414  
Bismarck, ND 58505  
701-328-4712

**Rhode Island**

Director, Department of Business Regulation  
Securities Division  
1511 Pontiac Avenue  
John O. Pastore Complex – Building 68-2  
Cranston, RI 02920

**South Dakota**

Director, Division of Securities  
Department of Commerce and Regulation  
124 S. Euclid Avenue  
Pierre, SD 57501

**Virginia**

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

**Washington**

Securities Administrator  
Washington Department of Financial Institutions  
150 Israel Road SW  
Tumwater, WA 98501

**Wisconsin**

Wisconsin Commissioner of Securities  
345 W Washington Avenue  
Madison, WI 53703



Franchise Disclosure Document  
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**EXHIBITS**

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**140**



Franchise Disclosure Document  
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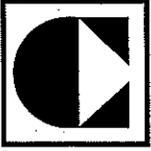
CONSOLIDATED FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT

**CORNERSTONE FRANCHISE BRANDS, LLC**

DECEMBER 31, 2024 and 2023

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**INDEPENDENT AUDITOR'S REPORT**

To the Member  
Cornerstone Franchise Brands, LLC

We have audited the accompanying consolidated financial statements of Cornerstone Franchise Brands, LLC and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2024 and 2023 and the related consolidated statements of income, member's equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Cornerstone Franchise Brands, LLC as of December 31, 2024 and 2023 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Cornerstone Franchise Brands, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and 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 Cornerstone Franchise Brands, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Cornerstone Franchise Brands, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Cornerstone Franchise Brands, LLC's ability to continue as a going concern for a reasonable period of time.

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

*Douglas Corey & Associates, P.C.*

February 24, 2025

**Cornerstone Franchise Brands, LLC**

**Consolidated Balance Sheets**

**December 31, 2024 and 2023**

(See Independent Auditor's Report and notes to consolidated financial statements)

	2024	2023
<b>Assets</b>		
Current Assets		
Cash	\$ 4,201,039	\$ 2,259,159
Accounts receivable	1,741,132	1,495,305
Allowance for uncollectible accounts	(36,319)	(16,322)
Prepaid expenses	205,368	364,168
Deferred commissions	283,522	78,597
Inventory		
Notes receivable - current	100,000	53,912
Allowance for uncollectible notes	-	-
Right of use - office space, current	120,490	118,738
Right of use - copier, current	2,829	2,520
	<hr/>	<hr/>
Total current assets	6,618,061	4,356,077
Property and equipment, net of accumulated depreciation of \$120,645 and \$122,096, respectively	103,577	14,734
Work in progress - Cornerstone Move Management, LLC	-	470,413
Deferred commissions - long term	2,365,889	694,132
Right of use - office space	122,352	242,919
Right of use - copier	4,402	6,634
Deposits	6,352	6,352
	<hr/>	<hr/>
Total Assets	\$ <u>9,220,633</u>	\$ <u>5,791,261</u>

**Liabilities and Member's Equity**

Current Liabilities		
Accounts payable	\$ 1,064,022	\$ 589,316
Accrued payroll	1,294,636	1,148,800
Ad fund payable	1,256,299	1,241,174
Royalty rebates payable	68,000	106,200
Deferred revenue - current	469,583	236,371
Lease liability - office space, current	124,092	118,738
Lease liability - copier, current	2,829	2,520
	<hr/>	<hr/>
Total current liabilities	4,279,461	3,443,119
Deferred revenue	3,367,681	1,577,316
Lease liability	134,175	260,792
Member's Equity	<hr/>	<hr/>
	1,439,316	510,034
	<hr/>	<hr/>
	\$ <u>9,220,633</u>	\$ <u>5,791,261</u>

**Cornerstone Franchise Brands, LLC**  
**Consolidated Statements of Income**  
**For the years ended December 31, 2024 and 2023**  
(See Independent Auditor's Report and notes to consolidated financial statements)

	<b>2024</b>	<b>2023</b>
Income		
Franchise fees	\$ 804,675	\$ 330,302
Royalty fees (net of rebates)	14,622,601	12,241,844
Marketing fees	2,819,253	2,339,895
Technology and other franchise services	1,003,132	838,606
Conference sponsorships and attendance	105,460	128,215
	<u>19,355,121</u>	<u>15,878,862</u>
Cost of sales		
Technology and other franchise services	721,055	800,916
Broker, referral and other fees	236,051	18,240
	<u>957,106</u>	<u>819,156</u>
Gross profit	18,398,015	15,059,706
Operating expenses		
Personnel	5,238,634	4,800,561
Marketing	2,818,232	2,341,836
Franchise support	1,177,002	1,114,398
General and administrative	834,211	467,587
Franchise sales	247,187	228,464
Professional fees	369,283	199,404
Depreciation and amortization	8,202	12,223
Bad debt	20,102	9,866
	<u>10,712,853</u>	<u>9,174,339</u>
Income from operations	7,685,162	5,885,367
Other income (expenses)		
Gain (loss) on asset dispositions	-	2,000
Write off of new concept development	(823,613)	-
Interest	27,733	3,012
Loss attributable to non-controlling interest in subsidiary	91,396	-
Bad debt recovery	-	12,375
	<u>-</u>	<u>12,375</u>
Net income	<u>\$ 6,980,678</u>	<u>\$ 5,902,754</u>

**Cornerstone Franchise Brands, LLC**  
**Consolidated Statements of Member's Equity**  
**For the years ended December 31, 2024 and 2023**

[See Independent Auditor's Report and notes to consolidated financial statements]

Member's equity, January 1, 2023	\$	582,280
Contributions - Cornerstone Move Management, LLC		475,000
Distributions		(6,450,000)
Net income		<u>5,902,754</u>
Member's equity, December 31, 2023		510,034
Contributions		2,050,000
Distributions - FirstLight HomeCare Franchising, LLC		(8,010,000)
Net income		6,980,678
Non-controlling interest in subsidiary		<u>(91,396)</u>
Member's equity, December 31, 2024	\$	<u><u>1,439,316</u></u>

**Cornerstone Franchise Brands, LLC**  
**Consolidated Statements of Cash Flow**  
**For the year ended December 31, 2024 and 2023**  
(See Independent Auditor's Report and notes to consolidated financial statements)

	2024	2023
Cash flows from operating activities:		
Net income	\$ 6,980,678	\$ 5,902,754
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Bad debt expense (recovery)	20,102	(2,509)
(Gain) loss on asset dispositions	-	(2,000)
Write off of Cornerstone Move Management, LLC	823,613	-
Loss attributable to non-controlling interest in subsidiary	(91,396)	-
Depreciation	8,202	12,223
Amortization of right of use assets	(6,122)	(17,784)
Amortization of right of use liabilities	3,154	6,541
(Increase) decrease in accounts receivable	(242,965)	(367,819)
(Increase) decrease in prepaid expense	158,800	(9,811)
(Increase) decrease in deferred commissions	(1,876,682)	(772,729)
(Increase) decrease in inventory	-	3,538
Increase (decrease) in accounts payable	474,706	339,071
Increase (decrease) in accrued payroll	145,836	291,324
Increase (decrease) in ad fund payable	15,125	418,391
Increase (decrease) in royalty rebates payable	(38,200)	(13,800)
Increase (decrease) in deferred revenue	2,023,577	1,061,200
Net cash provided (used) by operating activities	<u>8,398,428</u>	<u>6,848,590</u>
Cash flows from investing activities:		
Purchase of property and equipment	(97,044)	(5,424)
Proceeds from fixed asset sales	-	2,000
Increase in work in progress - concept development	(353,200)	(452,680)
Franchisee loans	(198,690)	(115,729)
Repayment of franchisee loans	152,602	102,771
Net cash provided (used) by investing activities	<u>(496,332)</u>	<u>(469,062)</u>
Cash flows from financing activities:		
Net distributions to member	(5,960,000)	(5,975,000)
Decrease (increase) in right of use asset	120,738	122,427
(Decrease) increase in right of use liability	(120,954)	(108,018)
Net cash provided (used) by financing activities	<u>(5,960,216)</u>	<u>(5,960,591)</u>
Net (Decrease) Increase in Cash	1,941,880	418,937
Cash, beginning of year	<u>2,259,159</u>	<u>1,840,222</u>
Cash, end of year	<u>\$ 4,201,039</u>	<u>\$ 2,259,159</u>
Supplemental disclosures of cash flow information:		
Cash paid during the year for:		
Income taxes	<u>\$ -</u>	<u>\$ -</u>
Interest expense	<u>\$ -</u>	<u>\$ -</u>

**Cornerstone Franchise Brands, LLC**  
**Notes to Consolidated Financial Statements**  
**December 31, 2024**  
(See Independent Auditor's Report)

**Note A - Summary of Accounting Policies**

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. Nature of Business

Cornerstone Franchise Brands, LLC (the Company) is a Delaware limited liability company that began business on January 1, 2023. Through its subsidiaries, the Company engages in the business of selling or supporting franchises or serving as a holding company for entities who engage in the business of selling or supporting franchises. In 2023, Cornerstone Franchise Brands, LLC's subsidiaries included FirstLight HomeCare Franchising, LLC and Cornerstone Move Management, LLC, which were both wholly owned.

On October 21, 2024, the Company formed Surv Franchisor, LLC. Subsequently, on November 18, 2024, SURV Franchisor, LLC issued 22.22% of its equity interests to acquire SURV Franchising, LLC. The Company owns 77.78% of SURV Franchisor, LLC. In 2024, the Company made the determination not to continue with Cornerstone Move Management, LLC. At this time, costs related to Cornerstone Move Management, LLC were written off. The accompanying consolidated financial statements include FirstLight HomeCare Franchising, LLC, which is a wholly owned subsidiary of the Company, and SURV Franchisor, LLC. SURV Franchisor, LLC has been reported on the consolidation method in accordance with generally accepted accounting principles. Under this method, SURV Franchisor, LLC is fully consolidated in the accompanying financial statements with the non-controlling interest eliminated from net income and member's equity. The Company markets franchises in both U.S and Canadian markets.

2. Basis of Accounting

It is the Company's policy to prepare its consolidated financial statements on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

3. Basis of Consolidation

The consolidated financial statements include the accounts of Cornerstone Franchise Brands, LLC and its subsidiaries. All significant intercompany balances and transactions between Cornerstone Franchise Brands, LLC and its subsidiaries are eliminated on the consolidation.

**Cornerstone Franchise Brands, LLC**  
**Notes to Consolidated Financial Statements**  
**December 31, 2024**  
(See Independent Auditor's Report)

**Note A - Summary of Accounting Policies, continued**

4. Revenue Recognition

In accordance with Accounting Standard Codification 606 (ASC 606), performance obligations and related transaction prices are identified for each franchise agreement. Revenue is recognized based on completion of the performance obligations. The Company has identified performance obligations met in the first year of a franchise contract. Franchise fees in excess of first year performance obligations are recorded as deferred revenue and recognized over the 10-year franchise period as identified in each agreement. If a franchise is sold or closed by the franchisee, the remainder of the performance obligation is recognized in the year of sale. See Note A, "5. Deferred Commissions and Deferred Revenue" for further information.

Royalties collected are based on franchisee income. Technology fees typically are charged as a fixed fee plus a variable component. This revenue is recognized as earned and a receivable is recorded for any amounts not collected by year-end. Franchisees who signed agreements prior to May 1, 2015 are eligible to receive rebates on royalty fees if certain performance standards are achieved. Royalty rebates have been netted against royalty revenue in the accompanying consolidated financial statements. Franchisees in good standing may purchase additional territories. Franchise agreements are for a period of 10-years. Upon expiration of the agreement, franchisees in good standing have the option to sign the then current franchise agreement for an additional 10-year term.

5. Deferred Commissions and Deferred Revenue

Deferred commissions consist of commissions paid to facilitate the franchise sale and are amortized over the contract life of the franchise agreement (10 years). Commissions recognized during the year ended December 31, 2024 totaled \$171,487. Deferred commissions totaled \$2,649,411 as of December 31, 2024. Commissions recognized during the year ended December 31, 2023 totaled \$13,240. Deferred commissions totaled \$772,729 as of December 31, 2023.

Deferred revenue consists of the remaining initial franchise fees to be amortized over the life of the agreements as well as initial franchise fees for training and performance obligations not yet performed. Deferred revenue is a result of the collection of the initial franchise fee at the signing of the franchise agreement and will fluctuate each year based on the number of agreements signed and the portion of revenue recognized for that year. Revenue recognized during the years ended December 31, 2024 and 2023 that was included in the deferred revenue balance totaled \$301,072 and \$162,084. Deferred revenue as of December 31, 2024 and 2023 totaled \$3,837,264 and \$1,813,687, respectively.

**Cornerstone Franchise Brands, LLC**  
**Notes to Consolidated Financial Statements**  
**December 31, 2024**  
(See Independent Auditor's Report)

**Note A - Summary of Accounting Policies, continued**

6. Advertising

The company expenses ongoing advertising costs as incurred. Advertising costs charged to expense totaled \$107,910 and \$133,451 for the years ended December 31, 2024 and 2023, respectively.

7. Accounts Receivable

Accounts receivable consists of royalty and technology fees and other miscellaneous fees that have been earned as of December 31, 2024 and 2023, but not yet collected. Management reviews past due balances on a franchise- by- franchise basis and makes decisions on collectability based on each situation. If necessary, past due accounts will be put on a payment plan or converted to a note receivable. If management determines an account receivable is uncollectible, collections proceed while an allowance for uncollectible accounts is set up. As of December 31, 2024 and 2023, the allowance for uncollectible accounts totaled \$36,319 and \$16,322, respectively.

8. Depreciation

Property and equipment with a cost of over \$2,500 is capitalized and depreciated over its service life. Assets are recorded at cost at the date of acquisition. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations using the straight-line method over their estimated service lives, which range from 2 to 7 years.

9. Work in progress

Work in progress consisted of costs related to the concept development of a new franchise system. During 2024, the Company determined not to continue with Cornerstone Move Management, LLC and the work in process incurred to date was written off. The total write-off for the year ended December 31, 2024 was \$823,613.

10. Income Taxes

Income or losses from the Company is combined with income and expenses of the Member from other sources and reported on the Member's Federal and state income tax returns; therefore, it is classified as a pass-through entity for Federal and state income tax purposes. Thus, no provision for income taxes has been recorded in the financial statements. The Company's 2022 through 2024 tax years are open for examination by federal and state taxing authorities.

**Cornerstone Franchise Brands, LLC**  
**Notes to Consolidated Financial Statements**  
**December 31, 2024**  
(See Independent Auditor's Report)

**Note A - Summary of Accounting Policies, continued**

11. Fair Value of Financial Instruments

The Company's financial instruments are cash, accounts receivable, prepaid expenses and accounts payable. The recorded value of these approximate their fair values based on their short-term nature.

12. Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts disclosures. Accordingly, actual results could differ from those estimates.

13. Reclassifications

Certain amounts in the accompanying financial statements for December 31, 2023 have been reclassified to conform to the presentation of the financial statements for December 31, 2024.

**Note B – Date of Management's Review**

In preparing the financial statements, management has evaluated events and transactions for potential recognition or disclosure through February 24, 2025, the date that the financial statements were available to be issued.

**Note C—Liquidity and Availability of Financial Assets**

The Company maintains a liquid cash balance in their checking account in an amount necessary to meet its anticipated operating expenditures for the next one to two months of the next year.

The Company's financial assets available for general expenditures through December 31, 2025 are as follows:

Financial assets:	
Cash and cash equivalents	\$ 4,201,039
Restricted cash	<u>(1,256,299)</u>
Cash available for general expenditures	<u>\$ 2,944,740</u>

Restricted cash is available to spend by the National Advertising Fund.

**Cornerstone Franchise Brands, LLC**  
**Notes to Consolidated Financial Statements**  
**December 31, 2024**  
(See Independent Auditor's Report)

**Note D – Property and Equipment**

Property and equipment are as follows:

	<b>2024</b>	<b>2023</b>
Computer equipment	\$27,198	\$26,800
Office furniture	39,122	40,128
Software	148,901	60,901
Leasehold improvements	<u>9,001</u>	<u>9,001</u>
	224,222	136,830
Less: Accumulated depreciation		
	<u>(120,645)</u>	<u>(122,096)</u>
Net book value	<u>\$103,577</u>	<u>\$14,734</u>

Depreciation expense for the years ended December 31, 2024 and 2023 is \$8,202 and \$12,223, respectively.

**Note E – Leases**

*Office lease*

The Company entered into an office lease for a term of 61 months, commencing on December 1, 2021. Base rent is \$9,683 with a 3% escalation annually. In addition to monthly rent, the Company is responsible for their percentage share of taxes and operating expenses, which was 8.61% at the lease renewal commencement date. The taxes and operating expenses are variable lease expenses and will be expensed as incurred. Under Accounting Standard Codification 842, the lease is classified as a Type B operating lease and is reflected as a right of use asset and a right of use liability on the accompanying financial statements. The asset and liability will be amortized over the life of the lease using a risk-free rate of 1.47%. Rental expense under this lease totaled \$123,255 for the year ended December 31, 2024. In addition, \$77,263 was expensed for variable lease expenses. Rental expense under this lease totaled \$119,686 for the year ended December 31, 2023. In addition, \$91,877 was expensed for variable lease expenses.

Following is a schedule of amortization of the right of use asset for the remaining lease term:

Year ended December 31:	
2025	\$120,490
2026	<u>122,352</u>
Total	<u>\$242,842</u>

**Cornerstone Franchise Brands, LLC**  
**Notes to Consolidated Financial Statements**  
**December 31, 2024**  
(See Independent Auditor's Report)

**Note E – Leases, continued**

*Copier*

During 2022, the Company leased a copier a term of 60 months. The lease commenced on June 1, 2022. Base rent is \$229. Under Accounting Standard Codification 842, the lease is classified as a Type B operating lease and is reflected as a right of use asset and a right of use liability on the accompanying financial statements. The asset and liability will be amortized over the life of the lease using a risk-free rate of 2.94%.

Following is a schedule of amortization of the right of use asset for the remaining lease term:

Year ended December 31:	
2025	\$2,829
2026	2,673
2027	<u>1,729</u>
Total	<u>\$7,231</u>

**Note F – Notes receivable**

On November 18, 2024, the Company issued a promissory note in relation to an asset contribution agreement under SURV Franchisor, LLC. The note bears interest at 10% per year and is payable in two installments of \$50,000 during 2025. As of December 31, 2024, accrued interest on the note totaled \$1,178.

On February 22, 2024, the Company issued a promissory note to a franchisee totaling \$80,000. The note bears interest at 12.5% per month. The note was paid off as of December 31, 2024. Interest paid on the note totaled \$3,470 for the year ended December 31, 2024. On March 14, 2024, the Company issued a promissory note to a franchisee totaling \$18,690. The note was payable in monthly installments of \$3,115 with zero interest. The note was paid as of December 31, 2024.

Interest paid on the promissory notes issued in 2023 totaled \$880 for the year ending December 31, 2024. As of December 31 2024, both notes were paid in full.

**Cornerstone Franchise Brands, LLC**  
**Notes to Consolidated Financial Statements**  
**December 31, 2024**  
(See Independent Auditor's Report)

**Note F – Notes receivable, continued**

On March 2, 2023, the Company issued a promissory note to a franchisee totaling \$35,928. The note bears interest at 8% per month and is payable in monthly installments of \$3,125 over 12 months. The note balance as of December 31, 2023 is \$12,296. Interest paid on the note totaled \$1,397 for the year ended December 31, 2023. On September 12, 2023, the Company issued a promissory note to a franchisee totaling \$62,757. The note bears interest at 12.5% and is payable in monthly installments of \$14,342 over 6 months. The note balance as of December 31, 2023 is \$31,866. Interest paid on the note totaled \$1,614 for the year ended December 31, 2023.

**Note G – National Advertising Fund**

Under its franchise agreements, the Company maintains a National Advertising Fund (NAF), which is used to cover advertising costs for the overall franchise system. The National Advertising Fund is operated by the FirstLight HomeCare Marketing Committee which represents both the owners and the franchisor on marketing related issues, developing the most successful strategy for the National Advertising Fund, and working to continually ensure the greatest potential gain in the return on investment from all advertising and marketing efforts. The franchise agreements allow for a portion of royalty fees collected to be remitted to the fund. In addition, the Company pays into the fund monthly. The Company has determined that it acts as a principal in the collection and administration of the NAF and therefore recognizes the revenues and expense related to the NAF on a gross basis. When NAF fees exceed NAF expenses in a reporting period, advertising costs are accrued up to the amount of the NAF revenues recognized. The Company consolidates and reports all balances held by the NAF and all revenues and expenses of the NAF within the consolidated financial statements.

During 2024 and 2023, respectively, the Company received a total of \$2,819,252 and \$2,339,895 of contributions from franchisees. Ad fund payable totaled \$1,256,299 and \$1,241,174 as of December 31, 2024 and 2023, respectively.

**Note H – Commitments and Contingencies**

**Line of Credit**

The Company has access to a line of credit with maximum draws of \$350,000. The line is guaranteed by the sole owner of the Company. As of December 31, 2024 and 2023, there were no outstanding draws against the line. There was no interest paid during the years ended December 31, 2024 and December 31, 2023 as there were no draws against the line of credit. The line is renewed annually.

**Cornerstone Franchise Brands, LLC**  
**Notes to Consolidated Financial Statements**  
**December 31, 2024**  
(See Independent Auditor's Report)

**Note I – Concentration of Credit Risk**

At various times during the years ended December 31, 2024 and 2023, the Company had more funds on deposit at one financial institution than the \$250,000 insured by the Federal Deposit Insurance Corporation.

**Note J – Retirement Plan**

Effective September 1, 2018, the Company established a 401(k) plan. Plan participants must be 21 years of age or older and must complete one hour of service. Employees may elect to enter the plan on the first day of each calendar quarter of the year and may defer up to \$23,000 and \$22,500 for 2024 and 2023, respectively. The company match is 100% of salary deferrals up to the first 1% of eligible compensation. The matching contribution totaled \$29,488 and \$14,225 for the years ended December 31, 2024 and 2023, respectively.

**Note K – Equity Participation Agreement**

In 2020, the Company established an equity participation agreement, whereby management and essential employees are awarded a bonus based on annual investor distributions. Equity participation bonuses are included in the accompanying financial statements as part of accrued employee bonus.

Accrued bonuses totaled \$1,040,573 and \$920,500 for the years ended December 31, 2024 and 2023, respectively.

**Note L – Prior Period Adjustment**

Management determined that the FirstLight HomeCare National Advertising Fund should be consolidated with Cornerstone Franchise Brands, LLC for financial statement preparation. In previous years, the fund was disclosed as a related party transaction with amounts paid to FirstLight HomeCare National Advertising Fund by FirstLight HomeCare, LLC and by franchisors. The accompanying financial statements have been adjusted to reflect the consolidation. For the year ended December 31, 2023, the following increases were recorded in the accompanying financial statements: revenue \$2,339,815, expenses \$2,343,726, bad debt recovery \$3,831, assets \$1,627,289 and liabilities \$1,627,289.

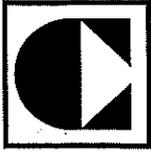
**CONSOLIDATED FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT**

**CORNERSTONE FRANCHISE BRANDS, LLC**

**DECEMBER 31, 2023**  
**(with comparative information for December 31, 2022)**

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**INDEPENDENT AUDITOR'S REPORT**

To the Member  
Cornerstone Franchise Brands, LLC

We have audited the accompanying consolidated financial statements of Cornerstone Franchise Brands, LLC and its subsidiaries, which comprise the consolidated balance sheet as of December 31, 2023 and the related consolidated statements of income, member's equity, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Cornerstone Franchise Brands, LLC as of December 31, 2023 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. 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 Cornerstone Franchise Brands, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and 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 Cornerstone Franchise Brands, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Cornerstone Franchise Brands, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant 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 Cornerstone Franchise Brands, LLC's ability to continue as a going concern for a reasonable period of time.

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

**Report on Comparative Information**

We have previously audited FirstLight HomeCare Franchising, LLC's (now a wholly owned subsidiary of Cornerstone Franchise Brands, LLC) December 31, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 13, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it was derived.

February 15, 2024

*Douglas Corey & Associates P.C.*

**Cornerstone Franchise Brands, LLC**  
**Consolidated Balance Sheet**  
**December 31, 2023**  
**With Comparative Information for 2022**  
(See Independent Auditor's Report and notes to consolidated financial statements)

	2023	2022
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 996,645	\$ 1,171,135
Accounts receivable	1,300,349	982,759
Allowance for uncollectible accounts	(16,322)	(16,891)
Prepaid expenses	204,099	252,208
Deferred commissions	78,597	-
Inventory	-	3,538
Notes receivable - current	44,162	31,104
Allowance for uncollectible notes	-	-
Right of use - office space, current	118,738	117,007
Right of use - copier, current	2,520	2,666
	2,728,788	2,543,526
Total current assets	2,728,788	2,543,526
Property and equipment, net of accumulated depreciation of \$122,096 and \$109,872, respectively	14,734	21,535
Work in progress - concept development	470,413	17,733
Deferred commissions - long term	694,132	-
Right of use - office space	242,919	361,657
Right of use - copier	6,634	8,738
Deposits	6,352	6,352
	4,163,972	2,959,541
Total Assets	\$ 4,163,972	\$ 2,959,541
<b>Liabilities and Members' Equity</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 203,203	\$ 157,233
Accrued payroll	1,148,800	857,476
Royalty rebates payable	106,200	120,000
Deferred revenue - current	236,371	107,439
Lease liability - office space, current	118,738	117,006
Lease liability - copier, current	2,520	2,666
	1,815,832	1,361,820
Total current liabilities	1,815,832	1,361,820
Deferred revenue	1,577,316	645,048
Lease liability	260,792	370,395
Member's Equity	510,032	582,278
	4,163,972	2,959,541
	\$ 4,163,972	\$ 2,959,541

**Cornerstone Franchise Brands, LLC**  
**Consolidated Statement of Income**  
**For the year ended December 31, 2023**  
**With Comparative Information for 2022**

(See Independent Auditor's Report and notes to consolidated financial statements)

	2023	2022
Income		
Franchise fees	\$ 330,302	\$ 196,608
Royalty fees (net of rebates)	12,253,174	10,228,961
Technology and other franchise services	838,606	920,719
Conference sponsorships and attendance	128,215	108,619
	<u>13,550,297</u>	<u>11,454,907</u>
Cost of sales		
Technology and other franchise services	800,916	1,021,884
Broker, referral and other fees	18,240	28,153
	<u>819,156</u>	<u>1,050,037</u>
Gross profit	12,731,141	10,404,870
Operating expenses		
Personnel	4,800,561	4,851,801
Franchise support	1,114,398	1,086,133
General and administrative	467,587	434,439
Franchise sales	228,464	314,486
Professional fees	210,734	357,714
Depreciation and amortization	12,223	21,903
Bad debt	7,976	16,634
Interest	-	-
	<u>-</u>	<u>-</u>
Total expenses	<u>6,841,943</u>	<u>7,083,110</u>
Income from operations	5,889,198	3,321,760
Other income (expenses)		
Gain (loss) on asset dispositions	2,000	(43,628)
Interest	3,012	-
Bad debt recovery	8,544	-
	<u>8,544</u>	<u>-</u>
Net income	<u>\$ 5,902,754</u>	<u>\$ 3,278,132</u>

**Cornerstone Franchise Brands, LLC**  
**Consolidated Statement of Members' Equity**  
**For the year ended December 31, 2023**  
**With December 31, 2022 Information**

See Independent Auditor's Report and notes to consolidated financial statements

Member's equity, January 1, 2022	\$	829,146
Distributions		(3,525,000)
Net income		3,278,132
		582,278
Member's equity, December 31, 2022		582,278
Contributions - Newco		475,000
Distributions - FirstLight HomeCare Franchising, LLC		(6,450,000)
Net income		5,902,754
		510,032
Member's equity, December 31, 2023	\$	510,032

**Cornerstone Franchise Brands, LLC**  
**Consolidated Statement of Cash Flows**  
**For the year ended December 31, 2023**  
**With Comparative Information for 2022**

(See Independent Auditor's Report and notes to consolidated financial statements)

	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities:</b>		
Net income	\$ 5,902,754	\$ 3,278,132
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Bad debt expense	7,976	16,634
(Gain) loss on asset dispositions	(2,000)	43,628
Depreciation	12,223	21,903
Amortization of right of use assets	(17,784)	-
Amortization of right of use liabilities	6,541	-
(Increase) decrease in accounts receivable	(318,159)	30,857
(Increase) decrease in prepaid expense	48,109	(143,892)
(Increase) decrease in deferred commissions	(772,729)	-
(Increase) decrease in inventory	3,538	3,914
Increase (decrease) in accounts payable	45,970	(241,844)
Increase (decrease) in accrued payroll	291,324	361,644
Increase (decrease) in royalty rebates payable	(13,800)	(61,600)
Increase (decrease) in deferred revenue	1,061,200	231,514
Net cash provided (used) by operating activities	6,255,163	3,540,890
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	(5,424)	(5,927)
Proceeds from fixed asset sales	2,000	-
Increase in work in progress - concept development	(452,680)	-
Franchisee loans	(115,729)	(42,415)
Repayment of franchisee loans	102,771	11,311
Net cash provided (used) by investing activities	(469,062)	(37,031)
<b>Cash flows from financing activities:</b>		
Net distributions to member	(5,975,000)	(3,525,000)
Decrease (increase) in right of use asset	122,427	(12,996)
(Decrease) increase in right of use liability	(108,018)	12,996
Net cash provided (used) by financing activities	(5,960,591)	(3,525,000)
Net (Decrease) Increase in Cash	(174,490)	(21,141)
Cash, beginning of year	1,171,135	1,192,276
Cash, end of year	\$ 996,645	\$ 1,171,135
<b>Supplemental disclosures of cash flow information:</b>		
<b>Cash paid during the year for:</b>		
Income taxes	\$ -	\$ -
Interest expense	\$ -	\$ -

**Cornerstone Franchise Brands, LLC**  
**Notes to Consolidated Financial Statements**  
**December 31, 2023**  
(See Independent Auditor's Report)

**Note A - Summary of Accounting Policies**

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. Nature of Business

Cornerstone Franchise Brands, LLC (the Company) is a Delaware limited liability company that began business on January 1, 2023. Through its wholly owned subsidiaries, FirstLight HomeCare, LLC and Newco, the Company engages in the business of selling or supporting franchises or serving as a holding company for entities who engage in the business of selling or supporting franchises. The Company markets franchises in both U.S and Canadian markets.

FirstLight HomeCare Franchising, LLC (the Company) is a Delaware limited liability company formed in 2009 to engage in the business of selling or supporting franchises or serving as a holding company for entities who engage in the business of selling or supporting franchises. As of January 1, 2023, FirstLight HomeCare Franchising, LLC became a wholly owned subsidiary of Cornerstone Franchise Brands, LLC. FirstLight HomeCare Franchising, LLC's financial information is presented as comparative information for December 31, 2022 in the accompanying financial statements.

References to the Company in the accompanying financial statements relate to Cornerstone Franchise Brands, LLC for 2023 and to FirstLight HomeCare Franchising, LLC for 2022.

2. Basis of Accounting

It is the Company's policy to prepare its consolidated financial statements on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

3. Basis of Consolidation

The consolidated financial statements include the accounts of Cornerstone Franchise Brands, LLC and its subsidiaries. All significant intercompany balances and transactions between Cornerstone Franchise Brands, LLC and its subsidiaries are eliminated on the consolidation.

4. Revenue Recognition

In accordance with Accounting Standard Codification 606 (ASC 606), performance obligations and related transaction prices are identified for each franchise agreement. Revenue is recognized based on completion of the performance obligations. The Company has identified performance obligations met in the first year of a franchise contract. Franchise fees in excess of first year performance

**Cornerstone Franchise Brands, LLC**  
**Notes to Consolidated Financial Statements**  
**December 31, 2023**  
(See Independent Auditor's Report)

**Note A - Summary of Accounting Policies, continued**

4. Revenue Recognition, continued

obligations are recorded as deferred revenue and recognized over the 10-year franchise period as identified in each agreement. If a franchise is sold or closed by the franchisee, the remainder of the performance obligation is recognized in the year of sale. See Note A, "5. Deferred Commissions and Deferred Revenue" for further information.

Royalties collected are based on franchisee income. Technology fees typically are charged as a fixed fee plus a variable component based on volume. This revenue is recognized as earned and a receivable is recorded for any amounts not collected by year-end. Franchisees who signed agreements prior to May 1, 2015 are eligible to receive rebates on royalty fees if certain performance standards are achieved. Royalty rebates have been netted against royalty revenue in the accompanying consolidated financial statements. Franchisees in good standing may purchase additional territories. Franchise agreements are for a period of 10-years. Upon expiration of the agreement, franchisees in good standing have the option to sign the then current franchise agreement for an additional 10-year term.

5. Deferred Commissions and Deferred Revenue

Deferred commissions consist of commissions paid to facilitate the franchise sale and are amortized over the contract life of the franchise agreement (10 years). Commissions recognized during the year ended December 31, 2023 totaled \$13,240. Deferred commissions totaled \$772,729 as of December 31, 2023.

Deferred revenue consists of the remaining initial franchise fees to be amortized over the life of the agreements as well as initial franchise fees for training and performance obligations not yet performed. Deferred revenue is a result of the collection of the initial franchise fee at the signing of the franchise agreement and will fluctuate each year based on the number of agreements signed and the portion of revenue recognized for that year. Revenue recognized during the years ended December 31, 2023 and 2022 that was included in the deferred revenue balance at the beginning of the year totaled \$162,084 and \$96,817. Deferred revenue as of December 31, 2023 and 2022 totaled \$1,813,687 and \$752,487, respectively.

**Cornerstone Franchise Brands, LLC**  
**Notes to Consolidated Financial Statements**  
**December 31, 2023**  
(See Independent Auditor's Report)

**Note A - Summary of Accounting Policies, continued**

6. Advertising

The Company advertises to recruit franchisees and improve name recognition for the FirstLight HomeCare brand and other subsidiaries. These costs are expensed as incurred and totaled \$66,267 and \$182,456 for the years ended December 31, 2023 and 2022, respectively.

7. Accounts Receivable

Accounts receivable consists of royalty and technology fees and other miscellaneous fees that have been earned as of December 31, 2023 and 2022, but not yet collected. Management reviews past due balances on a franchise- by- franchise basis and makes decisions on collectability based on each situation. If necessary, past due accounts will be put on a payment plan or converted to a note receivable. If management determines an account receivable is uncollectible, collections proceed while an allowance for uncollectible accounts is set up. As of December 31, 2023 and 2022, the allowance for uncollectible accounts totaled \$16,322 and \$16,891, respectively.

8. Depreciation

Property and equipment with a cost of over \$2,500 is capitalized and depreciated over its service life. Assets are recorded at cost at the date of acquisition. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations using the straight-line method over their estimated service lives, which range from 2 to 7 years.

9. Work in progress

Work in progress consists of costs related to the concept development of a new franchise system.

10. Income Taxes

Income or losses from the Cornerstone the Company is combined with income and expenses of the Member from other sources and reported on the Member's Federal and state income tax returns; therefore, it is classified as a pass-through entity for Federal and state income tax purposes. Thus, no provision for income taxes has been recorded in the financial statements. The Company's 2021 through 2023 tax years are open for examination by federal and state taxing authorities.

**Cornerstone Franchise Brands, LLC**  
**Notes to Consolidated Financial Statements**  
**December 31, 2023**  
(See Independent Auditor's Report)

**Note A - Summary of Accounting Policies, continued**

11. Fair Value of Financial Instruments

The Company's financial instruments are cash, accounts receivable, prepaid expenses and accounts payable. The recorded value of these approximate their fair values based on their short-term nature.

12. Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts disclosures. Accordingly, actual results could differ from those estimates.

13. Reclassifications

Certain amounts in the accompanying financial statements for December 31, 2022 have been reclassified to conform to the presentation of the financial statements for December 31, 2023.

**Note B – Date of Management's Review**

In preparing the financial statements, management has evaluated events and transactions for potential recognition or disclosure through February 15, 2024, the date that the financial statements were available to be issued.

**Note C—Liquidity and Availability of Financial Assets**

The Company maintains a liquid cash balance in their checking account in an amount necessary to meet its anticipated operating expenditures for the next one to two months of the next year.

The Company's financial assets available for general expenditures through December 31, 2024 are as follows:

Financial assets:

Cash and cash equivalents –available for general expenditures within one year	<u>\$ 996,645</u>
--	-------------------

**Cornerstone Franchise Brands, LLC**  
**Notes to Consolidated Financial Statements**  
**December 31, 2023**  
(See Independent Auditor's Report)

**Note D – Property and Equipment**

Property and equipment are as follows:

	<b>2023</b>	<b>2022</b>
Computer equipment	\$26,800	\$21,377
Office furniture	40,128	40,128
Software	60,901	60,901
Leasehold improvements	<u>9,001</u>	<u>9,001</u>
	136,830	131,407
Less: Accumulated depreciation		
	<u>(122,096)</u>	<u>(109,872)</u>
Net book value	<u>\$14,734</u>	<u>\$21,535</u>

Depreciation expense for the years ended December 31, 2023 and 2022 is \$12,223 and \$21,903, respectively.

**Note E – Leases**

*Office lease*

The Company entered into an office lease for a term of 61 months, commencing on December 1, 2021. Base rent is \$9,683 with a 3% escalation annually. In addition to monthly rent, the Company is responsible for their percentage share of taxes and operating expenses, which was 8.61% at the lease renewal commencement date. The taxes and operating expenses are variable lease expenses and will be expensed as incurred. Under Accounting Standard Codification 842, the lease is classified as a Type B operating lease and is reflected as a right of use asset and a right of use liability on the accompanying financial statements. The asset and liability will be amortized over the life of the lease using a risk-free rate of 1.47%. Rental expense under this lease totaled \$119,686 for the year ended December 31, 2023. In addition, \$91,877 was expensed for variable lease expenses. Rental expense under this lease totaled \$116,385 for the year ended December 31, 2022. In addition, \$91,765 was expensed for variable lease expenses.

Following is a schedule of amortization of the right of use asset for the remaining lease term:

Year ended December 31:	
2024	\$118,738
2025	120,553
2026	<u>122,366</u>
Total	<u>\$361,657</u>

**Cornerstone Franchise Brands, LLC**  
**Notes to Consolidated Financial Statements**  
**December 31, 2023**  
(See Independent Auditor's Report)

**Note E – Leases, continued**

*Copier*

During 2022, the Company leased a copier a term of 60 months. The lease commenced on June 1, 2022. Base rent is \$229. Under Accounting Standard Codification 842, the lease is classified as a Type B operating lease and is reflected as a right of use asset and a right of use liability on the accompanying financial statements. The asset and liability will be amortized over the life of the lease using a risk-free rate of 2.94%.

Following is a schedule of amortization of the right of use asset for the remaining lease term:

Year ended December 31:	
2024	\$2,520
2025	2,595
2026	2,673
2027	<u>1,364</u>
Total	<u>\$9,153</u>

**Note F – Notes receivable**

On March 2, 2023, the Company issued a promissory note to a franchisee totaling \$35,928. The note bears interest at 8% per month and is payable in monthly installments of \$3,125 over 12 months. The note balance as of December 31, 2023 is \$12,296. Interest paid on the note totaled \$1,397 for the year ended December 31, 2023. On September 12, 2023, the Company issued a promissory note to a franchisee totaling \$62,757. The note bears interest at 12.5% and is payable in monthly installments of \$14,342 over 6 months. The note balance as of December 31, 2023 is \$31,866. Interest paid on the note totaled \$1,614 for the year ended December 31, 2023.

On October 14, 2022, the Company issued a promissory note totaling \$33,932. The note bears interest at 0% per month and is payable in monthly installments of \$2,828 over 12 months. The note balance as of December 31, 2022 is \$31,104. As of December 31, 2023, the note balance is \$0.

**Note G - Related Party Transaction**

The Company maintains a National Advertising Fund, which is used to cover advertising costs for the overall franchise system. The National Advertising Fund is operated by the FirstLight HomeCare Marketing Committee which represents both the owners and the franchisor on marketing related issues, developing the most successful strategy for the National Advertising Fund, and working to continually ensure the greatest potential gain in the return on investment from all advertising and marketing efforts. The franchise agreements allow for a portion of royalty fees collected to be remitted to the fund. In addition, the Company pays into the fund monthly.

**Cornerstone Franchise Brands, LLC**  
**Notes to Consolidated Financial Statements**  
**December 31, 2023**  
(See Independent Auditor's Report)

**Note H - Related Party Transaction, continued**

The Company paid \$11,330 and \$8,921 to the fund during the years ended December 31, 2023 and 2022, respectively.

The Company's franchisees paid \$2,328,565 and \$1,891,582 to the fund during the years ended December 31, 2022 and 2021, respectively.

As of December 31, 2023 and 2022, the National Advertising Fund had a prepaid balance of \$24,568 and \$16,577, respectively.

**Note I – Commitments and Contingencies**

**Line of Credit**

The Company has access to a line of credit with maximum draws of \$350,000. The line is guaranteed by the sole owner of the Company. As of December 31, 2023 and 2022, there were no outstanding draws against the line. There was no interest paid during the years ended December 31, 2023 and December 31, 2022 as there were no draws against the line of credit. The line is renewed annually.

**Note J – Concentration of Credit Risk**

At various times during the years ended December 31, 2023 and 2022, the Company had more funds on deposit at one financial institution than the \$250,000 insured by the Federal Deposit Insurance Corporation.

**Note K – Retirement Plan**

Effective September 1, 2018, the Company established a 401(k) plan. Plan participants must be 21 years of age or older and must complete one hour of service. Employees may elect to enter the plan on the first day of each calendar quarter of the year and may defer up to \$22,500 and \$20,500 for 2023 and 2022, respectively. The company match is 100% of salary deferrals up to the first 1% of eligible compensation. The matching contribution totaled \$14,225 and \$11,391 for the years ended December 31, 2023 and 2022, respectively.

**Cornerstone Franchise Brands, LLC**  
**Notes to Consolidated Financial Statements**  
**December 31, 2023**  
(See Independent Auditor's Report)

**Note L – Equity Participation Agreement**

In 2020, the Company established an equity participation agreement, whereby management and essential employees are awarded a bonus based on annual investor distributions. Equity participation bonuses are included in the accompanying financial statements as part of accrued employee bonus.

Accrued bonuses totaled \$920,500 and \$668,100 for the years ended December 31, 2023 and 2022, respectively.



Franchise Disclosure Document  
**Exhibit E – Franchise Agreement**



Surv Franchisor, LLC  
FRANCHISE AGREEMENT

<hr/> <p>Franchisee Name</p>
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Surv™  
FRANCHISE AGREEMENT

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- Exhibit 1 Owner and Spouse Agreement and Guaranty
- Exhibit 2 Confidentiality Agreement
- Exhibit 3 Assignment of Telephone Numbers and Digital Media Accounts
- Exhibit 4 ACH Authorization Form



**FRANCHISE AGREEMENT**

This Franchise Agreement (the “Agreement”) is entered into on \_\_\_\_\_ (the “Effective Date”), between Surv Franchisor, LLC a Delaware limited liability company with a principal place of business located at 7870 East Kemper Road, Suite 400, Cincinnati, Ohio 45259 (the “Franchisor”) and \_\_\_\_\_ (the “Franchisee”).

**RECITALS**

Franchisor has developed a distinctive and proprietary system (the “System”) for the development and operation of a business that offers, and provides to-do list membership providing services to assist homeowners with projects, including moving, decluttering, junk removal, painting, event organization, helping hands, cleaning, landscaping decorating, technology and related services and products (the “Approved Services and Products”) under the Licensed Marks (defined below) (each business referred to as a “Franchised Business” or “Surv Business”);

The System is identified by the Licensed Marks and trade dress, required service and product offerings, required operating processes and procedures, required equipment and supplies, and required marketing, advertising, and business development obligations and brand standards, all of which are part of the System and may be modified by Franchisor from time to time; and

Franchisee desires to obtain the license to develop and operate a Franchised Business in conformity with the System and within a designated operating territory pursuant to the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the parties do hereby agree, as follows:

**ARTICLE 1**  
**DEFINITIONS**

Supplementing the terms and definitions contained in the foregoing “Recitations”, the terms listed below have the following additional meanings:

“**Accounting Period**” means the period of time selected and determined by Franchisor for the required measurement and reporting of financial information and payment of financial obligations by Franchisee. The applicable measurement period will be determined by Franchisor from time to time with respect to Franchisee’s obligations to report financial information and data to Franchisor and Franchisee’s payment of all fees and other obligations under this Agreement. The respective “Accounting Period” shall be those Franchisor designated times, whether, weekly, monthly, or otherwise, as designated by Franchisor, with all such Accounting Periods automatically commencing on the earlier of the (a) Scheduled Opening Date, or (b) the Actual Opening Date of the Franchised Business and, continuing, throughout the Term of this Agreement. Unless otherwise designated by Franchisor at any time, unless otherwise specified in this Agreement, the Accounting Period shall be a monthly period for each and every month throughout the Term of this Agreement.

**“Actual Opening Date”** means the date upon which Franchisee first advertises, offers and/or provides services to the public concerning the Franchised Business.

**“Additional Initial Training Fee”** shall have the meaning defined and set forth in Article 4.A. of this Agreement.

**“Administrative Offices”** means the non-retail, non-public back-end, administrative office and/or facilities from which a Surv Business is managed and may include facilities for storing inventory and supplies, parking Service Vehicles, and staging on-site customer service visits.. An Administrative Office may be comprised of, if permitted by law, a home based office for the first 12 months from the Effective Date of this Agreement.

**“Advertising Contributions”** means any and all obligations of Franchisee to contribute to and/or pay fees to Franchisor or Franchisor’s affiliate or designees as set forth in this Agreement including, but not limited to, the Brand Development Fund Fees set forth in Article 9.A. of this Agreement and Advertising Cooperative contributions and contributions set forth in Article 9.C. of this Agreement.

**“Advertising Cooperative”** shall have the meaning defined and set forth in Article 9.C. of this Agreement.

**“Alternative Channels of Distribution”** means retail and/or wholesale based sales and/or distribution outlets based on the world wide web, print catalogs, and mail order outlets.

**“Ancillary Agreements”** means, individually and collectively, each and every agreement between: (a) Franchisor and Franchisee, but not including this Agreement; (b) Franchisor and each of Franchisee’s Owners, whether individually and/or collectively; and (c) Franchisor and each Spouse of Franchisee’s Owners, whether individually and/or collectively. Without limitation to the foregoing, the term Ancillary Agreements includes the Franchise Owner and Spouse Agreement and Guaranty and the Assignment of Telephone Numbers and Digital Media Accounts, as said agreements, individually and/or collectively, may have been entered into between the foregoing parties.

**“Annual Conference Attendance Fee”** means an annual conference attendance fee to be paid by Franchisee to Franchisor in an amount determined by Franchisor in an amount not exceeding \$1,500, per attendee per year.

**“Annual System Conference”** means a conference that may be established and organized by Franchisor for the purpose of facilitating networking among Surv Business franchisees, and general education. Franchisor shall designate and determine whether or not an Annual System Conference shall occur and, if one is established in any particular year, the dates, content and location of the Annual System Conference. The Annual System Conference shall be for a duration of not more than three consecutive days per calendar year. Franchisee is responsible for all costs and expenses associated with Franchisee’s travel to and attendance at the Annual System Conference.

**“Approved Services and Products”** shall have the meaning defined in the “Recitals” section of this Agreement and shall further refer to and mean refers to and means those products and services that Franchisor authorizes for sale by Surv Businesses. Franchisor shall exclusively designate and determine the Approved Services and Products and Franchisor, in Franchisor’s Reasonable Business Judgment, may change, modify, reduce or supplement the Approved Services and Products that must be offered and sold by the Franchised Business and those products and services that may not be sold by the Franchised Business. The Operations Manual, subject to changes that Franchisor may make from time to time and Franchisor’s right to change and modify the Approved Services and Products, shall designate the Approved Services and

Products that must be offered and sold by the Franchised Business. The Franchised Business may only offer and sell the Approved Services and Products.

“**Assignee Corporate Entity**” shall have the meaning defined and set forth in Article 14.E. of this Agreement.

“**Assignment of Telephone Numbers and Digital Media Accounts**” means the form of “Assignment of Telephone Numbers and Digital Media Accounts” agreement attached to this Agreement as Exhibit 3.

“**Brand Development Fund**” shall have the meaning defined and set forth in Article 9.A. of this Agreement.

“**Brand Development Fund Fee**” shall have the meaning defined and set forth in Article 9.A. of this Agreement.

“**Business Management System**” means the software, internet, web based and/or cloud based system or systems, point of sale system or systems and customer relationship management system or systems as same may be individually or collectively designated by Franchisor, in Franchisor’s Reasonable Business Judgment, as being required for use by the Franchised Business, including, but not limited to, the day-today sales, ordering, operations and management of the Franchised Business. Franchisor reserves the right to modify and designate alternative Business Management Systems as Franchisor determines in Franchisor’s Reasonable Business Judgment. At all times, Franchisor shall possess direct live access and storage based access to the Business Management System for the Franchised Business and to Franchisee’s Business Management System Data.

“**Business Management System Data**” means the forms, data, tools, customer information and sales information that: (a) is pre-populated or entered into the Business Management System utilized by Franchisee; (b) is entered (whether by Franchisor or Franchisee) into the Business Management System utilized by Franchisee; and/or (c) is recorded, stored and/or maintained by the Business Management System in connection with the management and operations of Franchisee’s Surv Business.

“**Competitive Business**” means any business that (i) is the same as or similar to a Surv Business; and/or (ii) offers, sells, and/or provides moving services, junk removal, Christmas light decorating, painting, event staffing, cleaning, handyman services, landscaping, and/or providing technology-related assistance to homeowners and individuals.

“**Confidential Information**” means all of our trade secrets, methods, techniques, procedures, data and information (as same may exist as of the Effective Date of this Agreement and as may be developed, modified and supplemented in the future) constituting and comprising: (a) methods, specifications, standards, policies, procedures, information, concepts, programs and systems relating to the development, establishment, marketing, promotion and operation of Surv Businesses; (b) information concerning consumer preferences for services, products, materials and supplies used or sold by, and specifications for and knowledge of suppliers of certain materials, equipment, products, supplies and procedures used and/or sold by Surv Businesses; (c) information concerning customers, customer lists, email lists, database lists, product sales, operating results, financial performance and other financial data of Surv Businesses; (d) customer lists and information related to Surv Businesses; (e) Business Management System Data; (f) current and future information contained in the Operations Manual; and (g) Know-How.

“**Confidentiality Agreement**” means the sample form of “Confidentiality Agreement” attached to this Agreement as Exhibit 2.

**“Controlling Interest”** shall exist for the following individuals, Owners, partners and/or entities: (a) (If Franchisee is a corporation) a controlling interest shall exist for such shareholders and Owners of the voting shares of stock of Franchisee as (i) shall permit voting control of Franchisee on any issue and/or (ii) shall prevent any other person, group, combination, or entity from blocking voting control on any issue or exercising any veto power; (b) (If Franchisee is a general partnership) a controlling interest shall exist for such partners and Owners that possess a managing partnership interest or such percentage of the general partnership interests in Franchisee as (i) shall permit determination of the outcome on any issue, and (ii) shall prevent any other person, group, combination, or entity from blocking voting control on any issue or exercising any veto power; (c) (If Franchisee is a limited partnership) a controlling interest shall exist for such partners and Owners that possess a general partnership interest; and (d) (If Franchisee is a limited liability company) a controlling interest shall exist for such members and Owners that possess a percentage of the membership interests as (i) shall permit determination of the outcome on any issue, and (ii) shall prevent any other person, group, combination or entity from blocking voting control on any issue or exercising any veto power.

**“Copyrights”** means all works and materials for which Franchisor or any affiliate of Franchisor has secured common law or registered copyright protection and Franchisor uses and/or allows franchisees to use in the operation of a Surv Business, whether as of the Effective Date of this Agreement or any time in the future.

**“Corporate Accounts”** means local, regional, and/or national agreements that Franchisor and/or Franchisor’s affiliates enter into with local, regional, and/or national corporate accounts such as U-haul and Penske that, directly or indirectly, offer, provide, and/or subcontract on behalf of their end-user customers services and products that compete with or that are similar to the Approved Services and Products.

**“Corporate Entity”** means a corporation, limited liability company, partnership or other corporate legal entity that is not an individual person.

**“Customer Satisfaction Non-Compliance Event”** means any circumstance and/or event whereby Franchisee’s monthly customer satisfaction and/or approval ratings, as measured on a monthly basis by a reputation management and/or customer review platform designated or selected by Franchisor, fails to achieve an aggregate customer satisfaction and/or approval rating of not less than 4.5 stars out of 5 stars and/or a 90% positive satisfaction rating for any particular month.

**“Customer Satisfaction Non-Compliance Fee”** means a fee payable by Franchisee in an amount equal to not less than \$250 per month. If a Customer Satisfaction Non-Compliance Event(s) occurs or lasts for more than three consecutive months then Franchisor, in Franchisor’s Reasonable Business Judgment, may increase the Customer Satisfaction Non-Compliance Fee to a monthly amount determined by Franchisor but not in excess of \$750 per month. The Customer Satisfaction Non-Compliance Fee is payable by Franchisee to Franchisor on demand by Franchisor.

**“Customer Vouchers”** means any and all gift cards, vouchers, receipts, cards and other evidence of a pre-paid purchase transaction or goods and/or services, and whether in electronic form, printed form, card or otherwise, concerning a Surv Business.

**“Digital Media”** means any interactive or static digital document, listing, directory, application, advertisement, link, metadata, or media that is transmitted within a closed or private network, or that is connected to, in communication with, and/or networked with computers, applications, or other devices linked by communications systems, data systems, a part of the world wide web including, traditional websites, web based applications, distributed databases, including, blockchain, software applications, smart phone applications, or social media platforms such as Facebook, LinkedIn, Twitter, Pinterest, Instagram, SnapChat, TikTok, and YouTube, that refers, references, identifies, reviews, promotes and/or relates, in

any way, to, a Surv Business, the Franchised Business, the Licensed Marks, the System and/or Franchisor. Digital Media includes the System Website, and all other media and/or publications relating to the System that is displayed and/or transmitted digitally.

“**Direct Solicitation**” means communications and/or contacts occurring through in person contact, telephone, mail, electronic mail, direct mail, distributed print media, Digital Media, Marketing Media, media distribution and/or marketing directed toward customers, potential customers or referral sources of the Franchised Business.

“**Due Date**” shall have the meaning defined and set forth in Article 5.C. of this Agreement.

“**Effective Date**” shall be the date set forth and referred to in the first paragraph of this Agreement.

“**Franchised Business**” means the Surv Business that Franchisee shall develop and is required to establish, maintain and operate as part of the System and in accordance with the terms, conditions and obligations set forth in this Agreement and the Operations Manual. Without limitation to the foregoing, the Franchised Business shall be exclusively established, maintained, owned and operated by Franchisee within Franchisee’s designated Operating Territory and in accordance with the terms of this Agreement. Shall have the same meaning as Franchisee’s Surv Business.

“**Franchisee’s Administrative Office**” means Franchisee’s administrative office. If Franchisee elects to conduct the administrative operations of the Franchised Business from a home office for the first 12 months from the Effective Date of this Agreement, Franchisee may do so as long as it is permitted by applicable laws and regulations.

“**Franchisee’s Surv Business**” means the Surv Business that Franchisee shall operate within the Operating Territory pursuant to the terms, conditions and obligations set forth in this Agreement. Shall have the same meaning as Franchised Business.

“**Franchisor’s Reasonable Business Judgment**” means, and relates to any and all decisions, actions and choices made by Franchisor concerning or relating to this Agreement, the System generally, Surv Businesses and/or the Franchised Business where Franchisor undertakes or makes such decision with the intention of benefitting or acting in a way that could benefit the System. When making decisions and/or taking actions in Franchisor’s Reasonable Business Judgment, Franchisor may, in addition to all other rights afforded to Franchisor under this Agreement, consider factors, in whole or in part, that include: Franchisor’s profits; enhancing the value of the Licensed Marks; increasing customer satisfaction; minimizing potential customer confusion as to the Licensed Marks; determining Operating Territory markets; minimizing potential customer confusion as to the location of Surv Businesses; expanding brand awareness of the Licensed Marks; implementing marketing and accounting control systems; and approving products, services, supplies and equipment. Franchisee agrees that when a decision, determination, action and/or choice is made by Franchisor in Franchisor’s Reasonable Business Judgment that such decision, determination, action or choice shall take precedence and prevail, even if other alternatives, determinations, actions and/or choices are reasonable or arguably available and/or preferable. Franchisee agrees that in connection with any decision, determination, action and/or choice made by Franchisor in Franchisor’s Reasonable Business Judgment that: (a) Franchisor possesses a legitimate interest in seeking to maximize Franchisor’s profits; (b) Franchisor shall not be required to consider Franchisee’s individual economic or business interests as compared to the overall System; and (c) should Franchisor economically benefit from such decision, determination, action and/or choice that such economic benefit to Franchisor shall not be relevant to demonstrating that Franchisor did not exercise reasonable business judgment with regard to Franchisor’s obligations under this Agreement and/or with regard to the System. Franchisee agrees that neither Franchisee and/or any third party, including, but not limited to, any third party acting as a trier of

fact, shall substitute Franchisee's or such third party's judgment for Franchisor's Reasonable Business Judgment. Franchisee further agrees that should Franchisee challenge Franchisor's Reasonable Business Judgment in any legal proceeding that Franchisee possesses the burden of demonstrating, by clear and convincing evidence, that Franchisor failed to exercise Franchisor's Reasonable Business Judgment.

**"GAAP"** refers to and means United States Generally Accepted Accounting Principles.

**"Gross Revenue"** means the total dollar sales from all business and customers of the Franchised Business and includes the total gross amount of revenues, receipts, and sales from whatever source derived, whether in form of cash, credit, agreements to pay or other consideration including the actual retail value of any goods or services traded, borrowed, or received by Franchisee in exchange for any form of non-money consideration (whether or not payment is received at the time of the sale), from or derived by Franchisee or any other person or Corporate Entity from business conducted or which started in, on, from or through the Franchised Business and/or Operating Territory, whether such business is/was conducted in compliance with or in violation of the terms of this Agreement. Supplementing the foregoing, Gross Revenue further includes the total gross amount of revenues, receipts, and sales from whatever source derived from and/or derived by Franchisee (including any person and/or Corporate Entity acting on behalf of Franchisee) from business conducted within and/or outside the Operating Territory that is related to the Franchised Business and/or a Competitive Business located and/or operated within the Operating Territory, outside the Operating Territory, and/or otherwise (the foregoing does not constitute approval for Franchisee's operation of a Competitive Business and/or the operation of a Surv Business outside of the Operating Territory). Gross Revenue do not include sales or use taxes collected by Franchisee and authorized promotional discounts that Franchisee provides to customers.

**"Immediate Family Member"** means the spouse of a person and any other member of the household of such person, including, without limitation, children, and grandchildren of such person. Immediate Family Member shall further refer to and mean the spouse, children, grandchildren, and other members of the household of each Franchisee, if Franchisee is an individual, or each Owner of Franchisee if Franchisee is a Corporate Entity.

**"IP Claim"** shall have the meaning defined and set forth in Article 11.E. of this Agreement.

**"Know-How"** means all of Franchisor's trade secrets and proprietary information relating to the development, establishment, marketing, promotion and/or operation of a Surv Business including, but not limited to, methods, techniques, specifications, procedures, policies, marketing strategies and information reflected in, comprising or constituting a part of the System. Without limitation to the foregoing, Know

How shall further include information contained in the Operations Manual and the Confidential Information.

**"Licensed Marks"** means the trademarks, service marks, emblems and indicia of origin, including the "Surv" trademark, Surv logo, Trade Dress, and other trade names, service marks, trademarks, logos, slogans and designs authorized by Franchisor in connection with the identification of Surv Businesses and the Approved Services and Products, provided that such trade names, trademarks, service marks, logos and designs are subject to modification, replacement and discontinuance by Franchisor in Franchisor's Reasonable Business Judgment.

**"Managers"** means the Managing Owners plus all assistant managers of the Franchised Business and all other employees, independent contractors, consultants, directors and board members who may possess access to the Confidential Information.

**“Managing Owner”** means, if Franchisee is a partnership or corporation, the owner responsible for the day-to-day oversight, management and operation of the Franchised Business. Said individual must possess and maintain an ownership and/or equity interest in the Franchise such that said individual owns, holds and controls no less than 25% of the equity and ownership interests in the Franchisee. The Managing Owner, at all times, must participate (on a full time basis) in the day-to-day operations of the Franchised Business.

**“Marketing Media”** means all communications, whether written, oral, digital, or otherwise utilized for and/or designed for the purpose of marketing, advertising and/or promoting the Franchised Business including, but not limited to, Direct Solicitations, Digital Media, social media, print publications, print mailers, email communications and public relations.

**“Media Distribution”** shall have the meaning defined and set forth in Article 9.G. of this Agreement.

**“Minimum Monthly Royalty Fee Requirement”** shall have the meaning defined and set forth in Article 5.C. of this Agreement.

**“Operating Manager”** means the Manager designated by Franchisee or Franchisee’s Managing Owner, that is charged with the obligation and responsibility to supervise and manage the day-to-day operations of the Franchised Business. At all times, the Operating Manager must: (a) meet all of Franchisor’s minimum training and brand quality control standards and criteria for managers as may be set forth in the Operations Manual; (b) successfully complete Franchisor’s Training Program; (c) sign the Confidentiality Agreement; and (d) agree, in writing, to assume responsibility for the on-site management and supervision of the Franchised Business. We may require that your Operating Manager have an equity interest in Franchisee and/or the Franchised Business.

**“Operating Territory”** shall have the meaning defined and set forth in Article 2.A. of this Agreement.

**“Operations Manual”** means, individually and collectively, the manual(s) designated by Franchisor and relating to the development and/or operations of Surv Businesses including, but not limited to, the policies, procedures and requirements for the development and operation of Surv Businesses. The Operations Manual may consist of one or more volumes, handbooks, manuals, written materials, videos, electronic media files, cloud/internet based list-service, intranet, internet based and accessed databases, computer media, email, webinars and other materials as may be modified, added to, replaced or supplemented by Franchisor from time to time in Franchisor’s Reasonable Business Judgment, whether by way of supplements, replacement pages, franchise bulletins, or other official pronouncements or means. Subject to Franchisor’s modification from time to time and based on Franchisor’s Reasonable Business Judgment, the Operations Manual shall, among other things, designate the Approved Services and Products that must be offered and provided by the Franchised Business and the System Supplies that must be exclusively utilized by the Surv Business. Only Approved Services and Products may be offered and sold by the Franchised Business. Only System Supplies may be utilized by Franchisee in the operations of the Franchised Business.

**“Operations Non-Compliance Fee”** shall have the meaning defined and set forth in Article 7.J. of this Agreement.

**“Operations Violation”** shall have the meaning defined and set forth in Article 7.J. of this Agreement.

**“Owner”** means collectively, individually and jointly: (a) the officers and directors of Franchisee (including the officers and directors of any general partner of Franchisee) who hold an ownership interest in Franchisee; (b) the managing member or manager of Franchisee, if franchisee is a limited liability company; (c) all holders of a 5% or more direct or indirect ownership interest in Franchisee and/or of any entity

directly or indirectly controlling Franchisee; and (d) the Managing Owner(s). Franchisee's Owners are identified in Schedule 2 to this Agreement.

**“Owner and Spouse Agreement and Guaranty”** means the form of agreement attached to this Agreement as Exhibit 1. The Owner and Spouse Agreement and Guaranty is an agreement and guarantee made by the Owners and Spouses of Franchisee and is entered into in their respective individual and personal capacities.

**“Payment Non-Compliance Fee”** shall have the meaning defined and set forth in Article 5.G. of this Agreement.

**“Post-Term Restricted Period”** means 2 years after the earliest to occur of the following: (a) the expiration or termination of this Agreement for any reason; or (b) the date on which Franchisee assigns the Franchise Agreement to another person and/or Corporate Entity. Provided however, that if a court of competent jurisdiction determines that this period of time is too long to be enforceable, then the “Post-Term Restricted Period” means the 18 month period after the earliest to occur of the following: (i) the expiration or termination of this Agreement for any reason; or (ii) the date on which Franchisee assigns the Franchise Agreement to another person and/or Corporate Entity.

**“Prohibited Activities”** shall have the meaning defined and set forth in Article 6.D. of this Agreement.

**“Published Content”** means any and all information, data, articles, press releases, digital content, special offers, product information, service information, web posts, videos and other information relating to and/or concerning the Franchised Business, the System, and/or the Licensed Marks that is or was made available by Franchisee and/or Franchisee's agents to the public in print and/or electronic format and/or published, listed, made available, uploaded on, downloaded to and/or posted to Digital Media.

**“Renewal Ancillary Agreements”** means Franchisor's then current individual guaranty agreement and other agreements ancillary to the Renewal Franchise Agreement that Franchisee's Owners and their Spouses, respectively, must agree to, sign and deliver to Franchisor within 30 days of the date of delivery by Franchisor to Franchisee.

**“Renewal Fee”** shall have the meaning defined and set forth in Article 15.A. of this Agreement. The Renewal Fee is \$7,500 payable by a franchisee who is renewing to the Surv system.

**“Renewal Franchise Agreement”** means Franchisor's then current form Franchise Agreement for the Renewal Term that Franchisee must agree to, sign, and deliver to Franchisor within 30 days of the date of delivery by Franchisor to Franchisee, along with payment of the Renewal Fee.

**“Renewal Notice”** shall have the meaning defined and set forth in Article 15.B.

**“Renewal Term”** shall have the meaning defined and set forth in Article 15.A.

**“Reporting Non-Compliance Fee”** shall have the meaning defined and set forth in Article 12.C. of this Agreement.

**“Reporting Violation”** shall have the meaning defined and set forth in Article 12.C. of this Agreement.

**“Reputation Management Services”** means the customer review, customer review monitoring and/or reporting services and/or reputation management services designated by Franchisor. Franchisor, in Franchisor's Reasonable Business Judgement, shall exclusively select the Reputation Management Services to be used by Franchisee and to determine and select the websites, social media sites, reporting

services, surveys, and service platforms to be included in any evaluation and/or determination of Franchisee's monthly customer satisfaction and approval ratings.

**“Restricted Territory”** means the entire geographic area within and comprising: (a) Franchisee's Operating Territory; (b) a 25 mile radius surrounding Franchisee's Operating Territory; or (c) within, or within a 10 mile radius of, all other operating territories for Surv Businesses that are operated and/or under development by Franchisor or other Surv Business franchisees as of the Effective Date of this Agreement and those that are in operation during all or any part of the Post-Term Restricted Period.

**“Royalty and Activity Report”** shall have the meaning defined and set forth in Article 5.C. of this Agreement.

**“Royalty Fee”** shall have the meaning defined and set forth in Article 5.C. of this Agreement.

**“Scheduled Opening Date”** means the day that occurs 90 days immediately following the Effective Date of this Agreement.

**“Service Vehicle(s)”** means the Franchisor approved commercial vehicle(s) to be acquired, leased, maintained and operated by Surv Business franchisees in connection with the day to day operations of a Surv Business. Franchisee's Service Vehicle(s) must be dedicated to the day to day operations of the Franchised Business, must be approved by Franchisor, and must meet Franchisor's specifications as to vehicle models, vehicle age, vehicle type, interior configuration and capability, signs, and exterior vehicle wrap.

**“Spouse”** means the legal spouse of an Owner.

**“Supplemental Training”** shall have the meaning defined and set forth in Article 4.A. of this Agreement.

**“Supplemental Training Fee”** shall have the meaning defined and set forth in Article 4.A. of this Agreement.

**“Surv Business(es)”** means any business or businesses owned and/or operated by Franchisor, Franchisor's affiliates or an authorized franchisee that utilizes or is required to utilize the System and Licensed Marks.

**“System”** shall have the meaning defined in the “Recitals” section of this Agreement and is further supplemented, as follows: (a) the Approved Services and Products, System Supplies and the services, procedures and systems that are designated by Franchisor, whether presently or in the future, for use in connection with the development, establishment, marketing, promotion and operation of a Surv Business; (b) the Licensed Marks; (c) the Trade Dress; (d) Copyrights, (e) other trade names, service marks, signs, and logos, copyrights and trade dress that is designated by Franchisor, whether presently or in the future, for use in connection with the development, establishment, marketing, promotion and operation of a Surv Business; (f) Operations Manual; (g) Business Management System Data; (h) Know-How; (i) Confidential Information; and (j) Digital Media. All determinations as to the system including components to the system and modifications and replacements thereto shall be determined by Franchisor in Franchisor's Reasonable Business Judgment.

**“System Supplies”** means the equipment and supplies designated by Franchisor as required for use in connection with Franchisee's Surv Business and the Approved Services and Products. Without limitation to the foregoing, the System Supplies shall include System branded, non-branded and third party branded equipment and supplies designated by Franchisor for use in the day-to-day operations of Franchisee's Surv Business including, among other things: customer vouchers, installation kits, uniforms, and other products

designated by Franchisor in the Operations Manual and/or otherwise in writing and, as may be modified and supplemented by Franchisor from time to time in Franchisor's Reasonable Business Judgment. System Supplies shall further include those products that Franchisor authorizes for sale to customers of Franchisee's Surv Business.

**"System Website"** means the web page and pages located on the world wide web at the WWW.WESURV.COM domain and shall further include all webpages and subdomains including, those that are franchisee and/or geography specific, that are a part of WWW.WESURV.COM, or as designated by Franchisor being associated with the URL of WWW.WESURV.COM and/or Surv Businesses.

**"Operating Platform Fee"** shall have the meaning defined and set forth in Article 5.D. of this Agreement.

**"Term"** means the period of time set forth and defined in Article 2.B. of this Agreement and the applicable Renewal Term, if any, if Franchisee invokes Franchisee's renewal rights in accordance with the terms of this Agreement.

**"Territory"** means a geographic area, as determined and designated by Franchisor in Franchisor's Reasonable Business Judgment.

**"Trade Dress"** means the Surv Business designs, images, marketing materials, packaging, branding and/or branding images which Franchisor authorizes and requires Franchisee to use in connection with the operation of the Franchised Business and as may be revised and further developed by Franchisor from time to time.

**"Training Program"** shall have the meaning defined and set forth in Article 4.A. of this Agreement.

**"Transfer"** means and shall include, without limitation, the following, whether voluntary or involuntary, conditional or unconditional, and/or direct or indirect: (a) an assignment, sale, gift, transfer, pledge or sub franchise; (b) the grant of a mortgage, charge, lien or security interest, including, without limitation, the grant of a collateral assignment; (c) a merger, consolidation, exchange of shares or other ownership interests, issuance of additional ownership interests or securities representing or potentially representing ownership interests, or redemption of ownership interests; (d) a sale or exchange of voting interests or securities convertible to voting interests, or an agreement granting the right to exercise or control the exercise of the voting rights of any holder of ownership interests or to control the operations or affairs of Franchisee; and/or (e) the legal and/or equitable transfer and/or sale of an Owner's interests and/or voting rights in Franchisee.

**"Transfer Fee"** shall have the meaning defined in Article 14.C.(11) of this Agreement. The Transfer Fee is \$10,000 payable by Franchisee.

## **ARTICLE 2**

### **GRANT OF FRANCHISE**

#### **2.A. GRANT OF FRANCHISE**

Franchisee has requested that Franchisor grant to Franchisee the non-exclusive license and right to develop, own and operate a Surv Business within a specified territory. In reliance on the representations made by Franchisee and/or Franchisee's Owners in any submitted application and during the application process and subject to the terms and conditions of this Agreement, Franchisee's request has been approved by Franchisor, subject to the following terms and conditions:

(1) During the Term of this Agreement and subject to the rights of Franchisor including, but not limited to, the Reserved Rights, Franchisor grants to Franchisee and Franchisee accepts, the non-exclusive license, right and obligation to develop and operate a Surv Business within the operating territory designated and set forth in Schedule 1 of this Agreement (the “Operating Territory”). If Schedule 1 does not specifically identify and designate an Operating Territory, and/or if Schedule 1 is not signed by Franchisor, the Operating Territory shall be determined by Franchisor in Franchisor’s Reasonable Business Judgment;

(2) Franchisee’s Administrative Office must be located within the Operating Territory and be approved by Franchisor;

(3) Franchisee may only operate the Franchised Business within Franchisee’s Operating Territory and, without limitation to the foregoing, Franchisee may only offer and sell the Approved Services and Products within Franchisee’s Operating Territory from Franchisor designated and authorized Service Vehicles, the System standards designated by Franchisor, and in accordance with the requirements designated by Franchisor in the Operations Manual;

(4) Except as otherwise provided in this Agreement including, but not limited to, the Reserved Rights and Corporate Accounts, provided that, at all times, Franchisee is and remains in compliance with the terms of this Agreement, during the Term of this Agreement, Franchisor will not and Franchisor’s affiliates will not operate, or grant a franchisee the right to operate a Surv Business using the Licensed Marks and System within Franchisee’s Operating Territory, provided that an Operating Territory has been designated and approved by Franchisor in accordance with the terms of this Agreement; and

(5) The foregoing rights granted in this Article 2.A. are subject to and contingent upon each and every, term and condition of this Agreement, the rights of any prior user, and are non-exclusive and subordinate to the Reserved Rights.

## **2.B. TERM**

Unless sooner terminated pursuant to the terms of this Agreement, the term of this Agreement will be for a period of 10 consecutive years, commencing from the Effective Date (the “Term”).

## **2.C. GUARANTY, CONFIDENTIALITY AND RESTRICTIVE COVENANTS**

If Franchisee is, at any time, a Corporate Entity, Franchisee agrees that each Owner and their respective Spouse shall execute, sign and deliver to Franchisor the Franchise Owner and Spouse Agreement and Guaranty attached to this Agreement as Exhibit 1 and, in doing so, among other things, will individually, jointly, and severally, guarantee Franchisee’s obligations under this Agreement and personally bind themselves to confidentiality and non-competition covenants and restrictions.

## **2.D. RESERVATION OF RIGHTS**

Franchisor on behalf of itself, its affiliates and its assigns retains all rights, on any and all terms and conditions that Franchisor deems advisable and without any compensation or consideration to Franchisee to engage in the following activities (the “Reserved Rights”): (a) operate and grant to others the right to operate a Franchised Business, Surv Business and/or other businesses using the System and Licensed Marks at locations outside Franchisee’s Operating Territory; (b) acquire, be acquired, develop, or merge with or otherwise affiliate with one or more businesses of any kind, including businesses that are Competitive Businesses and, after such acquisition, development, merger or affiliation, to own and operate and to franchise or license others to own and operate and to continue to own and operate such businesses, including Competitive Businesses (but not utilizing the Licensed Marks) within Franchisee’s Operating Territory; (c) use the Licensed Marks and System to distribute the Approved Services and Products offered and sold by the Franchised Business or products and services similar to the Approved Services and Products offered and sold by the Franchised Business in Alternative Channels of Distribution within or outside your

Operating Territory; (d) use the Licensed Marks and System to offer, sell, and provide Approved Services and Products or products and services similar to the Approved Services and Products offered and sold by the Franchised Business on behalf of customers of Corporate Accounts within or outside Franchisee's Operating Territory; and (e) use the Licensed Marks and System and to license others to use the Licensed Marks and System, to engage in all other activities not expressly prohibited by the Franchise Agreement.

#### **2.E. MODIFICATION OF SYSTEM**

Franchisor, in Franchisor's Reasonable Business Judgment, reserves the right, at all times, to supplement, modify, alter and/or amend the System including any and/or all components of the System. Franchisee shall promptly comply with all such modifications to the System whether such modification results in the addition, subtraction, modification and/or enhancement to any and/or all components of the System. Franchisor shall provide Franchisee with a reasonable time period to comply with any change or modification to the System, which shall be communicated to Franchisee by Franchisor including, but not limited to, communication through the Operations Manual. Franchisor's modifications to the System shall not materially alter Franchisee's fundamental rights under this Agreement.

#### **2.F. CORPORATE ENTITY OWNERSHIP**

If Franchisee is a Corporate Entity, Franchisee represents that: (a) the information contained in Schedule 2 of this Agreement is and shall remain complete, true and accurate throughout the Term of this Agreement; (b) Franchisee has been duly organized and validly exists under the law of the state where Franchisee was formed; (c) Franchisee is duly qualified and authorized to conduct business within the jurisdiction comprising Franchisee's Operating Territory and in each jurisdiction where Franchisee is or will be conducting business; and (d) the execution of this Agreement and the consummation of the transactions contemplated by this Agreement are within Franchisee's corporate power and are authorized.

### **ARTICLE 3**

#### **DEVELOPMENT AND OPERATION OF THE FRANCHISED BUSINESS**

##### **3.A. DEVELOPMENT OF THE FRANCHISED BUSINESS**

Franchisee must develop and open the Franchised Business on or before the Scheduled Opening Date. Notwithstanding the foregoing, prior to opening and commencing the operations of the Franchised Business, Franchisee must, as determined by Franchisor: (a) be in compliance with the terms and conditions of this Agreement; (b) have satisfied the pre-opening obligations designated by Franchisor in the Operations Manual; (c) have completed and satisfied the training obligations designated by Franchisor; (d) have developed an Administrative Office in conformity with Franchisor's standards and specifications and as otherwise required by Franchisor in the Operations Manual; (e) have obtained the necessary licenses and permits to operate the Franchised Business; (f) have secured a Service Vehicle in conformity with Franchisor's standards and specifications and as otherwise required by Franchisor in the Operations Manual; and (g) have obtained Franchisor's written consent to open the Franchised Business.

##### **3.B. OPERATIONS OF THE FRANCHISED BUSINESS**

At all times the Franchised Business shall: (a) be operated within Franchisee's Operating Territory, excluding Corporate Accounts; (b) be operated from an approved Administrative Office located within the Operating Territory; (c) exclusively offer, sell and provide the Approved Services and Products in accordance with Franchisor's standards, specifications, and requirements; (d) ensure that the Approved Services and Products are only offered and provided by Franchisee through employees and/or Owners that have, to Franchisor's satisfaction, completed the training requirements and Training Programs required by Franchisor; (e) exclusively use, maintain, and, stock in inventory, the System Supplies in such quantities as designated by Franchisor; (f) exclusively purchase the System Supplies from the supplier and/or suppliers, vendor and/or vendors approved by Franchisor and designated by Franchisor, in Franchisor's Reasonable Business Judgment; (g) be exclusively managed and operated by Franchisee or, if Franchisee is a Corporate

Entity, Franchisee's Managing Owner; (h) maintain the necessary licenses and permits and, those licenses and permits required, and/or recommended by Franchisor, for Franchisee's development, ownership, and operation of the Franchised Business; (i) exclusively provide the Approved Services and Products from on-site at customer locations and using an approved Service Vehicles; and (j) be operated in conformity with Franchisor's standards, specifications, criteria and requirements as set forth by Franchisor in the Operations Manual as such Operations Manual exists as of the Effective Date of this Agreement and as the Operations Manual may be modified and supplemented from time to time in the future by Franchisor, in Franchisor's Reasonable Business Judgment.

### **3.C. FRANCHISEE'S ADMINISTRATIVE OFFICE**

Franchisee must operate the Franchised Business from an Administrative Office that conforms to Franchisor's standards and specifications and, such other requirements as set forth in the Operations Manual. Franchisee must obtain Franchisor's written approval of the location of Franchisee's Administrative Office. If permitted by applicable laws, rules, and regulations, including, but not limited to, local zoning laws and regulations (to be independently verified by Franchisee) Franchisee may designate Franchisee's personal residence as Franchisee's Administrative Office. Otherwise, Franchisee must develop Franchisee's Administrative Office from a commercial location located within the Operating Territory. If applicable, Franchisor will furnish Franchisee with Franchisor's then current preliminary plans and specifications for an Administrative Office. Franchisee shall develop, operate and manage the Franchised Business from an Administrative Office, that: (a) was identified and evaluated by Franchisee; (b) complies with the terms and conditions of this Agreement; (c) satisfies and meets Franchisor's standards and specifications; (d) is timely presented by Franchisee to Franchisor for approval as Franchisee's proposed Administrative Office; (e) is approved by Franchisor as Franchisee's Administrative Office; (f) is timely secured by Franchisee within 60 days of the Effective Date of this Agreement, as evidenced by a binding lease with a duration equal to the full Term of this Agreement; and (g) otherwise meets the terms and conditions of this Agreement and Franchisor's standards and specifications.

Franchisee will not lease, purchase or otherwise acquire a proposed Administrative Office until such information as Franchisor may require as to the proposed Administrative Office has been provided to Franchisor by Franchisee and, Franchisor has approved the location in accordance with the terms and conditions of this Agreement. Franchisor shall respond to Franchisee's request for approval of a proposed Administrative Office within 30 days following Franchisor's receipt, from Franchisee, of complete written information about Franchisee's proposed Administrative Office. If Franchisor rejects or disapproves Franchisee's proposed Administrative Office, Franchisee must nevertheless identify and obtain Franchisor's approval of a proposed Administrative Office within the time requirements set forth in this Agreement. Franchisor's disapproval of a proposed Administrative Office shall not serve as a basis to extend any deadline or requirement set forth in this Agreement.

Franchisor's approval of Franchisee's proposed Administrative Office is not and does not constitute a representation or warranty of any kind other than that Franchisor does not object to or disapprove of Franchisee's proposed Administrative Office. No provision of this Agreement shall be construed or interpreted to impose an obligation on Franchisor to locate an Administrative Office for the Franchised Business, to assist Franchisee in the selection of a suitable Administrative Office, or to provide assistance to the Franchisee in the purchase or lease of an Administrative Office.

### **3.D. FURNITURE, FIXTURES, EQUIPMENT AND SIGNS**

Except as to an Administrative Office operated from the personal residence of Franchisee or Franchisee's Owner, Franchisee agrees to use in the construction and operation of Franchisee's Administrative Office only those types of construction and decorating materials, fixtures, equipment, furniture, and signs that Franchisor has approved or designated in the Operations Manual for Franchised Business as meeting Franchisor's specifications and standards for appearance, function and performance. Franchisee shall purchase approved or designated types of construction and decorating materials, fixtures, equipment, furniture and signs including, but not limited to, System Supplies, only from suppliers approved or designated by Franchisor from time to time in writing and/or in the Operations Manual.

### **3.E. SYSTEM SUPPLIES**

Franchisee shall exclusively purchase and use the System Supplies in the operations of the Franchised Business. Franchisee shall exclusively purchase the System Supplies from the supplier and/or suppliers and vendor and/or vendors designated by Franchisor from time to time. Franchisee agrees that control over the nature, quality, branding and source of the System Supplies is critical to the System and that irrespective of the availability of substitute products, supplies, equipment and/or sources of supply, Franchisee shall only purchase and use the System Supplies as designated by Franchisor and only from those suppliers designated and approved by Franchisor. Franchisee agrees that in many instances Franchisor and/or Franchisor's affiliates may be and/or may become the sole and exclusive supplier of the System Supplies.

### **3.F. BUSINESS MANAGEMENT SYSTEM**

Franchisee shall exclusively use the Business Management System or systems designated by Franchisor, in Franchisor's Reasonable Business Judgment, and as may be modified, supplemented or replaced by Franchisor from time to time. Franchisee shall purchase, license and maintain such Business Management System and/or systems from Franchisor and/or such third party suppliers designated by Franchisor. Franchisor, in Franchisor's Reasonable Business Judgment, may require that Franchisee's license, and use of the Business Management System occur through accounts registered to Franchisor, controlled by Franchisor, or licensed through Franchisor. Franchisee shall provide and grant Franchisor with unlimited and uninterrupted direct internet based and/or remote access to the Business Management Systems of the Franchised Business. Franchisee shall pay and be responsible for all fees associated with the Business Management Systems including, but not limited to, initial and on-going license fees. Supplementing and, without limitation to the foregoing, Franchisee agrees that:

- (1) The Business Management System will contain proprietary and Confidential Information owned by Franchisor and related to the System;
- (2) The Business Management System shall be exclusively used by Franchisee in the operations of the Franchised Business, in accordance with the terms of this Agreement, and the standards and specifications set forth by Franchisor in the Operations Manual;
- (3) As between Franchisee and Franchisor, Franchisor is and shall be the exclusive owner of the Business Management System Data, except that Franchisee shall store and maintain such data in accordance with all applicable local, state and federal privacy, data collection and solicitation laws. Upon expiration or termination of this Agreement for any reason, Franchisee shall preserve and maintain the Business Management System Data for the purpose of transferring such data to Franchisor;
- (4) At all times, Franchisee shall provide and permit Franchisor to maintain direct and independent access to the Business Management System and the Business Management System Data and to duplicate and evaluate the data;

- (5) Franchisee shall upgrade, replace and modify the Business Management System at the request of Franchisor and in accordance with Franchisor's written instructions;
- (6) Other than permitting access to employees of the Franchised Business for the purpose of conducting the authorized operations of the Franchised Business, Franchisee shall not permit or allow any third party to access, use or duplicate the Business Management System or the Business Management System Data;
- (7) Franchisee shall keep and maintain the Business Management System and the Business Management System Data as secret and confidential and, Franchisee shall maintain security precautions to maintain the confidentiality of the Business Management System and the Business Management System Data; and
- (8) In no event shall Franchisor be liable to Franchisee for any damages, including any lost profits, lost savings, or other incidental or consequential damages, relating to Franchisee's use, or Franchisee's inability to use, the Business Management System even if Franchisor has been advised of the possibility of such damages, or for any claim by any other party including the software manufacturer. The foregoing limitations of liability are intended to apply without regard to whether other provisions of the Agreement have been breached or proven ineffective.

### **3.G. DIGITAL MEDIA, SYSTEM WEBSITE AND TELEPHONE NUMBERS**

As between Franchisor and Franchisee, Franchisor is the absolute owner of the Digital Media. Franchisee shall not utilize, access or open accounts regarding or related to Digital Media unless expressly approved by Franchisor in writing which approval Franchisor may withhold, condition, limit, modify, or withdraw as determined by Franchisor in Franchisor's Reasonable Business Judgment and which approval, if given, shall be limited to the marketing and promotion of the Franchised Business in accordance with Franchisor's standards and specifications. Upon expiration or termination of this Agreement for any reason, all prior authorizations respecting Franchisee's right to use the Digital Media and/or otherwise as to any rights of Franchisee in or to the Digital Media shall be automatically terminate and, at Franchisor's election, the right to any and all accounts and/or sites (if any) associated with Digital Media utilized by Franchisee shall be transferred by Franchisee to Franchisor. Franchisee shall not utilize the Digital Media for purposes of or with the effect of libeling or disparaging another party and Franchisee shall not violate any copyrights or the legal rights of any other party or person. Franchisee is exclusively responsible for disparagement, libel and/or copyright or intellectual property infringement as to all information, data, materials, and Published Content issued, posted, and/or made available by Franchisee.

Franchisee agrees that Digital Media and/or Published Content, if permitted by Franchisor, must be approved by Franchisor prior to publication or use in any form. Digital Media and Published Content that is approved by Franchisor or that otherwise is acceptable to Franchisor as meeting Franchisor's standards shall, at Franchisor's discretion, be owned by Franchisor. As between Franchisor and Franchisee, any and all interest and right in or to the Digital Media and/or Published Content shall, at all times, be and is the exclusive property of Franchisor both during the Term of this Agreement and upon the expiration or termination of this Agreement. The System Website and all improvements and modifications made to the System Website, Digital Media, and Published Content is and shall be the exclusive property of Franchisor. During the Term of this Agreement and subject to Franchisee's compliance with this Agreement, the System Website shall include information related to the Franchised Business as shall be determined and designated by Franchisor in Franchisor's Reasonable Business Judgment. All rights in and to telephone numbers associated with the Franchised Business, shall, at Franchisor's election, be transferred to Franchisor.

Without limitation to the foregoing, Franchisee shall, upon the request of Franchisor, execute and deliver to Franchisor the Assignment of Telephone Numbers and Digital Media Accounts attached to this Agreement as Exhibit 3. Upon the request of Franchisor, Franchisee shall execute, update, and/or re-execute the Assignment of Telephone Numbers and Digital Media Accounts agreement upon the request of Franchisor. As between Franchisor and all third parties, Franchisee represents and acknowledges that such third party is authorized to rely on the Assignment of Telephone Numbers and Digital Media Accounts agreement, irrespective of any dispute and/or controversy between Franchisor and Franchisee and irrespective of any contrary instructions of Franchisee.

### **3.H. RELOCATION OF FRANCHISEE'S ADMINISTRATIVE OFFICE**

Franchisee shall not relocate Franchisee's Administrative Office to a facility located outside the Operating Territory. To the extent that Franchisee wishes to relocate Franchisee's Administrative Office to a suitable commercial facility located within the Operating Territory then Franchisee must obtain Franchisor's prior written consent which shall not be unreasonably withheld provided that Franchisee is in compliance with the terms and conditions of this Agreement and provided that the new facility meets Franchisor's then current standards and specifications. Franchisee may not operate the Franchised Business from a residence location outside of the Operating Territory.

### **3.I. OUT OF TERRITORY CUSTOMERS**

Franchisee shall direct its Franchised Business' marketing and solicitation activities to individuals who will be served in the Operating Territory. Due to the natural circulation of printed media or the reach of television, radio, and Internet advertising, however, Franchisor acknowledges that Franchisee's local marketing may be viewed by individuals located outside of the Operating Territory. If approved in advance by us in writing, Franchisee may advertise to, and solicit customers located in "non-franchised" areas until such time as the "non-franchised" area becomes an operating territory of another Surv franchisee; provided, however, that advertising and/or solicitation materials may be placed in or targeted to a non-operating territory only if such placement can be discontinued within fourteen (14) days following notification by Franchisor that the area is no longer "non-franchised." "Non-franchised" area means an area for which Franchisor has not granted territorial, exclusive or protected rights to another Surv franchisee.

### **3.J. SERVICE VEHICLES**

Franchisee shall purchase and/or lease and exclusively use in the operations of the Franchised Business, only those Service Vehicles that meet Franchisor's System standards and specifications, and that are approved by Franchisor. Franchisee shall maintain the Service Vehicles in a clean, safe, and well maintained condition and shall operate same in accordance with all applicable laws, rules, and regulations. Franchisee may only offer and provide the Approved Services and Products using Service Vehicles approved by Franchisor and that meet Franchisor's brand standards and specifications.

### **3.K. CORPORATE ACCOUNTS**

The license and rights granted to Franchisee in this Agreement are limited to, among other things, the Operating Territory, the grant of franchise rights set forth in Article 2.A. of this Agreement, and the reservation of rights set forth in Article 2.D. of this Agreement. Subject to the following terms and conditions and, Franchisee's compliance with same (hereinafter the "Corporate Account Rules"), Franchisee may provide Approved Services and Products on behalf of a Corporate Account location within Franchisee's Operating Territory:

#### Corporate Account Rules

- (1) Franchisee must be in compliance with the terms and conditions of this Agreement;

(2) If Franchisor, in Franchisor's Reasonable Business Judgment, determines that Franchisee possesses the operational capacity and experience sufficient for performing the services on behalf of the Corporate Account, Franchisor shall submit to Franchisee a proposed Service Order (the "Service Order") to Franchisee disclosing that portion of the Approved Services and Products designated by Franchisor to be performed by Franchisee, the pricing related thereto, timing requirements, and other information determined to be relevant by Franchisor;

(3) Franchisee shall have 10 days to evaluate the Service Order and determine whether or not Franchisee wishes to accept same and provide, on an on-going basis as designated by the Service Order, the Approved Services and Products on behalf of designated Corporate Account customers; and

(4) If Franchisee elects to accept the Service Order, Franchisee shall perform and comply with same. If Franchisee elects to reject the Service Order, Franchisee is under no obligation to perform same. If Franchisee fails to respond in writing within 10 days where Franchisee either accepts or rejects the Service Order, Franchisee shall be deemed to have rejected the Service Order.

Franchisee agrees that if Franchisor, in Franchisor's Reasonable Business Judgment, determines that Franchisee does not possess the requisite capacity, skills and/or resources to provide Approved Services and Products in connection with the Corporate Account, that Franchisor may elect to not submit a Service Order to Franchisee and either Franchisor, Franchisor's affiliates, and/or other System franchisee's may be selected to provide Approved Services and Products on behalf of a Corporate Account located within Franchisee's Operating Territory.

#### **ARTICLE 4** **TRAINING AND OPERATING ASSISTANCE**

##### **4.A. INITIAL TRAINING, SUPPLEMENTAL TRAINING AND SYSTEM-WIDE TRAINING**

(1) Within 45 days of the earlier of the Scheduled Opening Date or the Actual Opening Date, Franchisee's Managing Owner and one manager must complete, to Franchisor's satisfaction, Franchisor's initial training program (the "Training Program"). Franchisor will provide Franchisee, comprised of Franchisee's Managing Owner, and one designated manager, with Franchisor's Training Program. If Franchisee would like more than two individuals to attend the Training Program, subject to Franchisor's approval, Franchisee shall pay to Franchisor an additional fee of \$500 per additional person per day attending the Training Program (the "Additional Initial Training Fee"). Additional Initial Training Fees shall be pre-paid in advance of training and upon submission of invoice by Franchisor to Franchisee.

Prior to opening and commencing the operations of the Franchised Business, the Managing Owner and other personnel as designated or determined by Franchisor, must attend and successfully complete the Training Program designated by Franchisor. The training may include classroom and on-the-job instruction at a location or facility designated by Franchisor, and/or, at the election of Franchisor and as determined by Franchisor, in Franchisor's Reasonable Business Judgment, may be conducted remotely through online web based conferencing. Following completion of the Training Program, Franchisee shall be responsible for the ongoing training of Franchisee's employees, staff and all other employees of the Franchised Business. Said on-going training must conform to Franchisor's standards and specifications. The Training Program shall be structured, configured and established by Franchisor from time to time. The Training Program may be structured so that it is offered and completed by Franchisee in various phases.

(2) Franchisee or, if Franchisee is a Corporate Entity, Franchisee's Managing Owner and Manager, at Franchisee's sole cost and expense, must attend and successfully complete all refresher training courses or system-wide training courses, additional training programs and seminars as Franchisor periodically may designate or offer in Franchisor's Reasonable Business Judgment. Franchisor provides instructors and training materials for those programs and seminars, but Franchisor reserves the right to assess Franchisee reasonable charges for such training. Franchisee is responsible for all expenses Franchisee and Franchisee's employee incurs in connection with attendance and participation in these programs and seminars, including, without limitation, the cost of transportation, lodging, meals and any salaries and other wages.

(3) Franchisee shall pay all costs and expenses incurred by Franchisee and, those attending training on behalf of Franchisee, in connection with Franchisee's participation in all Training Programs and, satisfaction of Franchisee's Training Program obligations as designated by Franchisor.

(4) Subject to Franchisor's approval and agreement, Franchisor may offer supplemental training within Franchisee's Operating Territory or as elected by Franchisor, remotely through online web based conferencing (hereinafter referred to as "Supplemental Training"). Franchisor, in Franchisor's Reasonable Business Judgment, reserves the right to reject or approve of any request by Franchisee for Supplemental Training. If Franchisor does agree to offer and provide Supplemental Training, Franchisee shall pay to Franchisor a supplemental training fee at the rate of \$500 per trainer per day plus, if applicable, reimbursement of travel and hotel accommodation expenses incurred by Franchisor (the "Supplemental Training Fee"). Franchisee agrees that in each instance where Franchisee hires a new Operating Manager, and/or Franchisor, in Franchisor's Reasonable Business Judgment, determines that Franchisee is not satisfying and/or meeting Franchisor's operational standards, then Franchisor may require that Franchisee, and/or, as applicable, Franchisee's Operating Manager participate in, and successfully complete, Supplemental Training pay the Supplemental Training Fees designated by Franchisor. Supplemental Training Fees shall be pre-paid in advance of training and upon submission of invoice by Franchisor to Franchisee.

(5) Franchisor, in Franchisor's Reasonable Business Judgment must approve of all individuals attending and participating in the Training Program and all Supplemental Training programs. All participants in the Training Program must qualify as either an Owner or Operating Manager and, prior to training, among other things, must have executed the Owner and Spouse Agreement and Guaranty or the Confidentiality Agreement, respectively.

(6) If Franchisee hires an employee to handle scheduling and customer service functions, such employee must successfully complete training at Franchisor's corporate headquarters or at any other location that Franchisor may designate. Franchisee will be responsible for all costs and expenses incurred by Franchisor in connection with such training, including travel and hotel accommodation expenses. Franchisee must pay a Supplemental Training Fee for each day of training attended by such employee. Franchisee must also reimburse Franchisor for any travel and hotel accommodation if such training takes place at Franchisee's location.

#### **4.B. OPERATING ASSISTANCE**

From time to time and as determined by Franchisor, in Franchisor's Reasonable Business Judgment, Franchisor shall advise Franchisee of those applicable standards, procedures and System requirements concerning the Franchised Business. Operating assistance may, as determined by Franchisor, in Franchisor's sole discretion, consist of:

- (1) Establishing and communicating systems and procedures related to the development and operation of the Franchised Business;
- (2) Establishing and communicating Approved Services and Products and, as applicable and as determined by Franchisor, modifications, if any, to the Approved Services and Products including, but not limited to, additions, deletions, and/or changes to the Approved Services and Products;
- (3) Designating and communicating System Supplies and, as applicable and as determined by Franchisor, modifications, if any, to the System Supplies including, but not limited to, additions, deletions, and/or changes to the System Supplies;
- (4) Designating and communicating approved and designated suppliers of the Franchised Business and, as applicable and as determined by Franchisor, modifications, if any, to approved and designated suppliers including, but not limited to, additions, deletions, and/or changes to the approved and designated suppliers;
- (5) Establishing and communicating marketing and brand standards related to the promotion of the Franchised Business;
- (6) Approving or disapproving of Franchisee requests related to marketing materials and Digital Media that may be used to market the Franchised Business; and
- (7) Establishing and communicating System standards and requirements in the form of the Operations Manual and, as Franchisor, in Franchisor's sole discretion.

#### **4.C. OPERATIONS MANUAL**

Franchisor shall provide Franchisee with access to the Operations Manual. The Operations Manual contains, as designated and determined by Franchisor, mandatory and, as applicable, suggested specifications, standards and operating procedures that Franchisor prescribes for Surv Businesses. Franchisee shall operate the Franchised Business in strict accordance with the standards, specifications, and requirements set forth in the Operations Manual as, such standards, specifications, and requirements including, but not limited to, the Approved Services and Products, System Supplies, and, authorized and designated suppliers, as of the Effective Date of this Agreement, and, as they may be supplemented, modified, changed, and/or replaced in the future and, from time to time, by Franchisor, in Franchisor's Reasonable Business Judgment. Franchisee shall keep and maintain the confidentiality of the Operations Manual and shall keep and maintain all files, data and information contained in the Operations Manual in a secure location and/or in a protected confidential state and, as otherwise directed by Franchisor. The master copy and official version of the Operations Manual is and shall be the copy and/or version maintained and designated by Franchisor in Franchisor's ordinary course of business.

Franchisor shall provide Franchisee with reasonable notice of modifications and changes made to the Operations Manual and, such notice may take form of electronic communications including emails and, if the Operations Manual is maintained on an online web based platform, notifications within said platform. Franchisor shall provide Franchisee with a reasonable period of time, as determined by Franchisor, in Franchisor's Reasonable Business Judgment, to implement change and modifications to the as set forth in the Operations Manual. Without limitation to the foregoing, Franchisee may only offer and sell the Approved Services and Products and utilize the System Supplies as designated by Franchisor, in Franchisor's Reasonable Business Judgment, in the Operations Manual and, in accordance with the terms, specifications and requirements set forth in the Operations Manual and as Franchisor may supplement and modify the Operations Manual from time to time or, as Franchisor may otherwise designate in writing.

**ARTICLE 5**  
**FEES**

**5.A. INITIAL FRANCHISE FEE**

Upon execution of this Agreement Franchisee shall pay to Franchisor a non-recurring initial franchisee fee (the “Initial Franchise Fee”) of \$50,000. The Initial Franchise Fee is fully earned by Franchisor upon execution of this Agreement and is not refundable.

**5.B. TRAINING FEE**

Upon execution of this Agreement, Franchisee shall pay to Franchisor a Training Fee in the amount of \$5,000. This Training Fee is not refundable.

**5.C. ROYALTY FEES**

Royalty Fees: Throughout the Term of this Agreement, Franchisee shall pay to Franchisor a continuing monthly non-refundable royalty fee (the “Royalty Fee”) in an amount equal to the greater of (a) 7% (the “Royalty Rate”) of Franchisee’s monthly Gross Revenue, or (b) the amount of the then applicable minimum monthly Royalty Fee requirement (the “Minimum Monthly Royalty Fee Requirement”). The Minimum Monthly Royalty Fee Requirement is based on the number of months in operation as set forth in the following schedule:

Number of Months in Operation	Minimum Monthly Royalty Fee Requirement
0-6	\$0
7-18	\$800
19-36	\$1,600
37-60	\$2,000
60 and beyond	\$3,870

Payment and Due Date: The Royalty Fee shall be calculated on a monthly basis for each respective Accounting Period. Royalty Fee payments shall be paid by Franchisee to Franchisor monthly by ACH, electronic funds transfer, or as otherwise designated by Franchisor and shall be due on the first Thursday of each monthly Accounting Period for the preceding week, and each week thereafter throughout the entire Term of this Agreement or, such other specific day of the week or month that Franchisor designates from time to time or for such other period that Franchisor may designate (the “Due Date”).

Tax Obligations: If any federal, state or local tax, other than an income tax, is imposed on the Royalty Fee paid by Franchisee to Franchisor that, Franchisor cannot directly and, dollar for dollar, offset against taxes required to be paid by Franchisor under any applicable federal or state laws, Franchisee must compensate Franchisor in the manner prescribed by Franchisor so that the net amount or net rate received by Franchisor for the Royalty Fee is not less than that which has been established by this Agreement and which was due to Franchisor on the effective date of this Agreement. If any state imposes a sales or other tax on the Royalty Fees, then Franchisor shall have the right to charge and collect the tax from Franchisee.

Payment Authorization: Upon the request of Franchisor and in no event not later than 30 days prior to the earlier of the Actual Opening Date or the Scheduled Opening Date, Franchisee shall execute Franchisor’s designated ACH Authorization Form and such other authorization agreements, in the form proscribed by Franchisor and permitting Franchisor’s direct withdrawal and/or electronic transfer of sums from Franchisee’s designated business bank account, for the on-going payment of Royalty Fees and, all other fees and sums due from Franchisee under this Agreement. As of the Effective Date, Franchisor’s current ACH Authorization that must be executed and complied with by Franchisee is attached to this Agreement as Exhibit 4. Franchisor may require Franchisee to pay the Royalty Fees and other amounts due under this

Agreement by means other than ACH and/or automatic debit whenever Franchisor deems appropriate, and Franchisee agrees to comply with Franchisor's payment instructions.

**Royalty and Activity Reports:** On the Due Date each month, Franchisee shall report, transmit, confirm, and/or otherwise make available to Franchisor, as designated by Franchisor, a Royalty and Activity Reports containing information as designated by Franchisor and relating to the Gross Revenue, financial performance, and operations of the Franchised Business for the preceding Accounting Period (the "Royalty and Activity Report"). Franchisor shall have the right to verify such royalty payments from time to time, as it deems necessary in any reasonable manner.

#### **5.D. OPERATING PLATFORM FEE**

Throughout the Term of this Agreement and any applicable renewal term, Franchisee shall pay to Franchisor a continuing monthly non-refundable Operating Platform Fee. Franchisor, in Franchisor's Reasonable Business Judgment, possesses the right, at any and all times throughout the Term, to implement and charge Franchisee a monthly Operating Platform Fee in a monthly amount designated by Franchisor but provided that such monthly amount does will not exceed our costs plus 20%.. Franchisee agrees that this Operating Platform Fee is a general administrative fee and is not connected to any particular service. The Operating Platform Fee shall be paid to Franchisor on the first Due Date for each respective month.

#### **5.E. OTHER FEES**

As designated by Franchisor in this Agreement, the Manual or otherwise, Franchisee shall pay the following additional fees to either Franchisor, Franchisor's affiliates, or Franchisee's designees:

- (1) Brand Development Fund Fee – Franchisee shall pay to Franchisor, Franchisor's affiliates, or Franchisor's designees, the Brand Development Fund Fee as set forth in Article 9.A. of this Agreement.
- (2) Supplemental Training Fees – Franchisee shall pay to Franchisor all training fees in accordance with the terms of this Agreement including, but not limited to, Additional Initial Training Fees and Supplemental Training Fees.
- (3) Quality Assurance Audit Fees – Franchisee shall pay to Franchisor, Franchisor's affiliates, or Franchisor's designees on-going monthly, and/or per use fees related to quality assurance programs designated by Franchisor related to periodic inspections of Franchisee's Surv Business and secret shopper evaluations.
- (4) Annual Conference Attendance Fees – Franchisee shall be responsible for all expenses of its personnel attending the Annual System Conference including travel, meals and lodging. Franchisee shall be required to pay to Franchisor an Annual Conference Attendance Fee. Franchisee agrees that if Franchisee fails to attend the Annual System Conference that Franchisor shall, nevertheless, charge and Franchisee shall pay the Annual Conference Attendance Fee – even if Franchisor waives such fee for franchisees who attend the Annual System Conference.
- (5) All Other Fees and Obligations Set Forth in this Agreement – Franchisee shall pay to Franchisor, Franchisor's affiliates, or Franchisor's designees such other fees, charges and expenses as set forth in this Agreement and in accordance with the terms of this Agreement or, otherwise, in accordance with the Manuals and/or Franchisor's standards and specifications.

#### **5.G. APPLICATION OF PAYMENTS**

Franchisor has sole discretion to apply any payments received from Franchisee or to offset any indebtedness of Franchisor to Franchisee to any past due indebtedness of Franchisee for Royalty Fees, Advertising

Contributions, purchases from Franchisor or its affiliates, interest or any other indebtedness of Franchisee to Franchisor or its affiliates.

**5.H. WITHHOLDING PAYMENTS UNLAWFUL**

Franchisee agrees that under no circumstance is Franchisee entitled to withhold payments due to Franchisor under this Agreement. Among other things and without limitation to the foregoing, Franchisee expressly agrees that any claim by Franchisee as to the alleged non-performance of Franchisor's obligations shall not permit and/or entitle Franchisee to withhold payments due Franchisor under this Agreement.

**ARTICLE 6**  
**RESTRICTIVE COVENANTS AND OBLIGATIONS**

**6.A. NECESSITY FOR RESTRICTIVE COVENANTS**

Franchisee agrees that only through the course of entering into this Agreement is Franchisee being provided with access to the System, Franchisor's training, use of the Licensed Marks, and access to the Operations Manual and Confidential Information. Franchisee agrees that competition by Franchisee, Owners, Spouses and/or their immediate family members will jeopardize the System and cause irreparable harm to Franchisor and franchisees of Surv Businesses. Accordingly, Franchisee and Franchisee's Owners and Spouses agree to comply with the restrictive covenants set forth in this Agreement, including this Article 6.

**6.B. RESTRICTIVE COVENANTS: KNOW-HOW**

Franchisee agrees that, at all times, both during the Term of this Agreement and, after its expiration or termination, Franchisee: (a) shall not use the Know-How in any business or capacity other than the operation of the Franchised Business pursuant to this Agreement and as instructed by Franchisor; (b) shall maintain the confidentiality of the Know-How at all times; (c) shall not make unauthorized copies of documents containing any Know-How; (d) shall take all reasonable steps that Franchisor requires from time to time to prevent unauthorized use or disclosure of the Know-How; and (e) shall stop using the Know-How immediately upon the expiration, termination or Transfer of this Agreement. Franchisee agrees that the foregoing covenants shall also apply to: (a) Franchisee's Owners and Spouses and, that Franchisee's Owners and Spouses shall each execute and deliver to Franchisor the Franchise Owner and Spouse Agreement and Guaranty in the form attached to this Agreement as Exhibit 1; and (b) Franchisee's directors, officers, employees and agents where disclosure of the Know-How was necessary for the operations of the Franchised Business and where such director, officer, employee and/or agent previously executed and timely delivered to Franchisor the Confidentiality Agreement in the form attached as Exhibit 2.

**6.C. RESTRICTIVE COVENANTS: CONFIDENTIAL INFORMATION**

Franchisee agrees that, at all times, both during the Term of this Agreement and after its expiration or termination, Franchisee: (a) shall not use the Confidential Information in any business or capacity other than the Surv Business operated by Franchisee; (b) shall maintain the confidentiality of the Confidential Information at all times; (c) shall not make unauthorized copies of documents containing any Confidential Information; (d) shall take such reasonable steps as Franchisor may ask of Franchisee from time to time to prevent unauthorized use or disclosure of the Confidential Information; and (e) shall stop using the Confidential Information immediately upon the expiration, termination or Transfer of this Agreement. Franchisee agrees that the foregoing covenants and obligations shall also apply to: (a) Franchisee's Owners and Spouses and that Franchisee's Owners and Spouses shall each execute and deliver to Franchisor the Franchise Owner and Spouse Agreement and Guaranty in the form attached to this Agreement as Exhibit 1; and (b) Franchisee's directors, officers, employees and agents where disclosure of the Confidential Information was necessary for the operations of the Franchised Business and where such director, officer, employee and/or agent previously executed and timely delivered to Franchisor the Confidentiality Agreement in the form attached as Exhibit 2.

**6.D. RESTRICTIVE COVENANTS: UNFAIR COMPETITION AND IN-TERM NON-COMPETITION OBLIGATIONS**

Franchisee agrees that during the Term of this Agreement, Franchisee shall not engage in the following activities (the “Prohibited Activities”): (a) owning and/or having any legal or equitable interest whether, as an individual proprietor, owner, partner, member or shareholder of a Corporate Entity, or, in any similar capacity, in a Competitive Business other than, owning an interest of 3% or less in a publicly traded company that is a Competitive Business; (b) operating, managing, funding, and/or performing services whether, as an employee, officer, director, manager, consultant, representative, agent, and/or creditor or, in any similar capacity, for or benefitting a Competitive Business; (c) diverting or attempting to divert any business or customers from Franchisor or, one of Franchisor’s affiliates or franchisees; (d) inducing any customer or client of Franchisor, Franchisor’s affiliates, franchisees of the System, or, of Franchisee, to any other person or business that is not a Surv Business; and/or (e) engaging in any actions, inactions, and/or activities in violation of Articles 6.B. and/or 6.C. of this Agreement (all, individually and collectively, referred to as the “Prohibited Activities”). Franchisee agrees that if Franchisee were to engage in the Prohibited Activities that such actions would be unfair, would constitute unfair competition and would cause harm to Franchisor, the System and other Surv Business franchisees. Franchisee agrees that the foregoing covenants and obligations shall also apply to Franchisee’s Owners and Spouses and that Franchisee’s Owners and Spouses shall each execute and deliver to Franchisor the Franchise Owner and Spouse Agreement and Guaranty in the form attached to this Agreement as Exhibit 1.

**6.E. RESTRICTIVE COVENANTS: UNFAIR COMPETITION AND POST-TERMINATION NON-COMPETITION OBLIGATIONS**

Franchisee agrees that during the Post-Term Restricted Period, Franchisee shall not engage in any Prohibited Activities provided, however, that the Prohibited Activities relating to Franchisee’s having an interest in a Competitive Business will only apply with respect to a Competitive Business that is located within a Restricted Territory. If Franchisee is engaged in any Prohibited Activities during the Post-Term Restricted Period, Franchisee agrees that Franchisee’s Post-Term Restricted Period will be extended by the period of time during which Franchisee was engaging in the Prohibited Activity and, any such extension of time will not be construed as a waiver of Franchisee’s breach or otherwise impair any of Franchisor’s rights or remedies relating to Franchisee’s breach. Franchisee agrees that the foregoing covenants and restrictions shall also apply to Franchisee’s Owners and Spouses and that Franchisee’s Owners and Spouses shall each execute and deliver to Franchisor the Franchise Owner and Spouse Agreement and Guaranty in the form attached to this Agreement as Exhibit 1. Franchisee agrees that the covenants and restrictions set forth in this Article 6.E. and otherwise in this Article 6, are fair and reasonable and that if Franchisee engaged in any Prohibited Activity that such actions would constitute acts of unfair competition, causing irreparable harm to Franchisor and the System.

**6.F. REASONABLENESS OF RESTRICTIVE COVENANTS AND OBLIGATIONS**

Franchisee agrees that: (a) the terms of this Article 6 are reasonable both in time and in scope of geographic area; and (b) Franchisee has sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Article 6. **Franchisee hereby waives any right to challenge the terms of this Article 6 (including the referenced defined terms set forth in Article 1 of this Agreement) as being overly broad, unreasonable or otherwise unenforceable.** Although Franchisee and Franchisor both believe that the restrictive covenants and obligations of this Article 6 to be reasonable in terms of scope, duration and geographic area, Franchisor may at any time unilaterally modify the terms of this Article 6 (provided that such modification is in writing and signed by Franchisor) by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Post-Term Restricted Period, reducing the geographic scope of the Restricted Territory and/or reducing the scope of any other covenant imposed upon Franchisee under this Article 6 to ensure that the terms and covenants are enforceable under applicable law.

#### **6.G. BREACH OF RESTRICTIVE COVENANTS AND OBLIGATIONS**

Franchisee agrees that Franchisee's failure and/or Franchisee's Owner(s) failure to comply with the restrictive covenants and obligations set forth in this Article 6 will cause irreparable harm to Franchisor and/or other Surv Business franchisees for which there is no adequate remedy at law. Franchisee agrees that any violation of these Article 6 covenants and obligations by either Franchisee and/or any Owner(s) will entitle Franchisor to injunctive relief. Franchisee agrees that Franchisor may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of Franchisee, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon a hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the Franchisee and Franchisor agree that the amount of the bond shall not exceed \$1,000. Franchisor's remedies under this Article 6.G. are not exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages.

#### **6.H. OWNERSHIP OF INNOVATIONS, IMPROVEMENTS AND CUSTOMER INFORMATION**

Franchisee agrees that with regard to the Franchised Business all customer lists and their contents and information represent Confidential Information and constitute an asset of Franchisor whether or not such information was supplied by Franchisor. During the Term of this Agreement and in connection with the development, establishment, marketing, promotion and operation of the Franchised Business, Franchisee shall disclose to Franchisor all of Franchisee's ideas, concepts, methods and products conceived or developed by Franchisee and Franchisee's affiliates, Owners, agents, and employees relating to the development and operation of Surv Businesses. Franchisee hereby assigns to Franchisor and Franchisee agrees to procure from Franchisee's Owners, affiliates and employees' assignment of any such ideas, concepts, methods, and products that Franchisee is required to disclose to Franchisor under this Article 6.H. Franchisor shall have no obligation to make any lump sum or on-going payments to Franchisee or Franchisee's Owners, affiliates or employees with respect to any such idea, concept, method, technique or product. Franchisee agrees that Franchisee will not use nor will Franchisee allow any other person or entity to use any such concept, method or product without obtaining Franchisor's prior written approval.

### **ARTICLE 7** **OPERATING STANDARDS**

#### **7.A. OPERATING REQUIREMENTS**

At all times, Franchisee and the Franchised Business shall, as designated by Franchisor in the Operations Manual and/or as otherwise designated by Franchisor in writing and, as may be modified by Franchisor from time to time: (a) exclusively offer and sell the Approved Services and Products; (b) exclusively purchase and use the System Supplies; (c) maintain a complete and updated inventory and supply of System Supplies; (d) maintain, update, replenish and replace Franchisee's System Supplies; (e) maintain, update, replenish and recondition Franchisee's Administrative Office; and (f) maintain Franchisee's Service Vehicles and System Supplies in a clean and safe condition and in conformity with the brand standards related to the Licensed Marks and System.

#### **7.B. MAINTENANCE, UPDATES AND UPGRADES**

At all times, Franchisee shall update, upgrade, maintain, replenish, replace and recondition Franchisee's System Supplies, Service Vehicle(s), and, if applicable, Franchisee's Administrative Office as specified by Franchisor in the Operations Manual and/or otherwise in writing, in Franchisor's Reasonable Business Judgment, and as modified by Franchisor from time to time. Notwithstanding the foregoing, Franchisee expressly agrees that the foregoing obligations relate to brand standards and specifications associated with the Licensed Marks and the Approved Services and Products and that, at all times, Franchisee is and shall

exclusively remain responsible for conditions involving the safety of customers and employees in connection with the operations of the Franchised Business.

#### **7.C. DAMAGE CAUSED BY CASUALTY**

If Franchisee's Administrative Office, Service Vehicle(s) and/or System Supplies is and/or are damaged or destroyed by fire or any other casualty, Franchisee must, as soon as practicable but in no event later than one month after such casualty, initiate repairs or reconstruction, and thereafter, in good faith and with due diligence, continue until completion of the repairs or reconstruction, to their/its original condition before casualty and otherwise in accordance with Franchisor's standards and specifications.

#### **7.D. ALTERATIONS**

At all times, Franchisee shall maintain Franchisee's System Supplies, Service Vehicles, and Administrative Office in accordance with Franchisor's current brand standards and specifications and, Franchisee shall not materially alter or modify same.

#### **7.E. BRAND STANDARDS AND FRANCHISOR DESIGNATED REQUIREMENTS**

Franchisee shall develop and operate the Franchised Business in strict conformity with the methods, standards, specifications, procedures, and operational requirements as, designated and determined by Franchisor, in Franchisor's Reasonable Business Judgment, and as set forth in the Operations Manual, as prescribed by Franchisor in writing, and, as Franchisor, in Franchisor's Reasonable Business Judgment, may supplement, modify, and amend from time to time. Supplementing, and without limitation to the foregoing, Franchisee, agrees that the foregoing standards, specifications, procedures, and operational requirements shall relate and include, among other things, the Approved Services and Products, the System Supplies, System standards as designated by Franchisor, authorized and mandatory inventory levels and inventory items, authorized and mandatory supplies and inventory supply levels, designated suppliers, standards related to brand uniformity including, brand standards regarding uniforms, marketing materials, marketing media, the appearance and operations of the Franchised Business, customer service and satisfaction standards including, customer rewards programs, refund policies, gift card policies, special promotions and other customer incentive and goodwill programs, brand standards and brand standard requirements as to employee knowledge and implementation of System brand standards but, not related to employment or joint employment policies, secret shopper programs, Franchisor designated secret quality control inspections, payment processing systems, Franchisor access to Business Management Systems, and the overall operations of the Franchised Business.

#### **7.F. APPROVED SERVICES, PRODUCTS, EQUIPMENT AND SUPPLIERS**

Franchisee agrees that, among other things, the products and services to be offered and sold by the Franchised Business, the supplies, suppliers and equipment utilized by the Franchised Business, the methods for monitoring customer satisfaction and, the methods for marketing and promoting the Franchised Business must conform to Franchisor's System standards and specifications as determined by Franchisor, in Franchisor's Reasonable Business Judgment, as designated by Franchisor in the Operations Manual, and/or as otherwise designated by Franchisor in writing and, as may be supplemented, modified, and/or amended by Franchisor from time to time. Without limitation to the foregoing, Franchisee agrees that:

- (1) The Franchised Business shall exclusively offer and sell the Approved Services and Products to customers located within Franchisee's Operating Territory;
- (2) The Franchised Business shall, in accordance with Franchisor's standards and specifications as, designated and determined by Franchisor from time to time, exclusively: (a) offer and serve the Approved Services and Products; (b) provide the Approved Services and Products in accordance with the System's standards and specifications; (c) exclusively purchase and use System Supplies from Franchisor or Franchisor's designated suppliers; (d) exclusively purchase

and use equipment, supplies, promotional materials, point of sale systems and Business Management Systems designated by Franchisor and, subject to Franchisor's specifications; (e) purchase displays, point of sale displays, uniforms, supplies, marketing materials and promotional materials including, but not limited to, System Supplies as designated by Franchisor and only from Franchisor or Franchisor's approved supplier(s); and (f) purchase from distributors and other suppliers approved by Franchisor all other materials, goods, and supplies including, but not limited to, System Supplies used in preparing, offering, selling, promoting, and serving the Approved Services and Products;

(3) Franchisor has and will periodically approve suppliers and distributors of the equipment, materials, supplies and products including, but not limited to, System Supplies and Service Vehicles, that meet Franchisor's standards, specifications, and requirements including, without limitation, standards, specifications, and requirements relating to the equipment and supplies to be used by the Franchised Business and, that Franchisee shall abide by same;

(4) Franchisor, in Franchisor's Reasonable Business Judgment, may, from time to time, modify the list of approved brands, suppliers and distributors of System Supplies, Service Vehicles, and approved equipment, supplies and services to be used by the Franchised Business and that Franchisee shall, after receipt in writing of such modification, abide by same and, among other things, not reorder any brand and/or purchase from any supplier or distributor that is no longer designated or approved by Franchisor;

(5) Franchisor reserves the right to designate, from time to time, a single supplier and/or distributor for any services, products, equipment, supplies, or materials including, but not limited to, the System Supplies and Service Vehicles and to require Franchisee to use such a designated supplier exclusively, which exclusive designated supplier and/or distributor may be Franchisor and/or Franchisor's affiliates. Franchisor and its affiliates may receive payments from suppliers and/or distributors on account of such supplier's or distributor's dealings with Franchisee and other franchisees of the System and that Franchisor may use all amounts so received without restriction and for any purpose, including Franchisor's profit; and

(6) If Franchisee proposes or requests that Franchisor consider the approval of products, services, equipment, supplies, suppliers and/or distributors for use in the Franchised Business where such products, services, equipment, supplies, suppliers and/or distributors are not, presently, at the time of Franchisee's request, approved for use in the System, Franchisee: (a) must provide Franchisor with a written request where Franchisee specifies the product, service, equipment, supply, supplier and/or distributor, the reason for Franchisee's request; (b) shall timely submit to Franchisor such information, reports, specifications, and samples as Franchisor, in Franchisor's Reasonable Business Judgment requests; and (c) shall pay to Franchisor a supplier evaluation fee per requested product, service, equipment, supply, supplier and/or distributor to be considered including, but not limited to, the supplier evaluation fees that Franchisor, in Franchisor's Reasonable Business Judgment, establishes and assesses based on, among other things, the administrative costs and time associated with evaluating, assessing and testing the proposed product, service, equipment, supply, supplier and/or distributor including, but not limited to Franchisor's internal employees and independent third parties engaged and/or retained by Franchisor for evaluation and testing. The foregoing fees and payments shall be paid by Franchisee to Franchisor within 14 days of the date of Franchisor's invoice. Upon Franchisee's compliance with the foregoing, within 60 days of the completion of all evaluations, Franchisor shall notify Franchisee of Franchisor's approval or disapproval, which shall be determined by Franchisor in Franchisor's Reasonable Business Judgment. Under no circumstance shall the foregoing be construed as implying that Franchisor is required to approve alternative suppliers and Franchisor

shall exclusively determine, in Franchisor's Reasonable Business Judgment, the level of evaluation to be conducted by Franchisor.

#### **7.G. MARKET RESEARCH AND TESTING**

Franchisor may conduct market research and testing to evaluate, modify, test or sample the services, products, equipment and supplies authorized by Franchisor and to determine consumer trends and the viability of certain services and products. Franchisee agrees to participate in Franchisor's market research programs that may be conducted by Franchisor in its discretion, by test marketing services and/or products from the Franchised Business. Franchisee agrees to provide Franchisor with timely reports and other relevant information regarding such market research. Franchisee agrees to purchase a reasonable quantity of the tested products and effectively promote and make a reasonable effort to sell the products and/or services.

#### **7.H. COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES**

(1) Franchisee shall, at all times, secure and maintain in full force all required licenses, permits and certificates relating to the operation of the Franchised Business, and Franchisee must operate the Franchised Business in full compliance with all applicable laws, ordinances, codes and regulations.

(2) Franchisee shall, at all times, investigate, review, and comply with all laws applicable to the operation of the Franchised Business, including, without limitation, all labor laws and obligations, wage and hour laws and obligations, employer practices laws and obligations, labor department rules and regulations, workers compensation and unemployment laws and rules, insurance obligations, and health and safety laws, rules and obligations.

(3) Franchisee shall, at all times, investigate, review, and comply with all laws, rules, and regulations related to all laws, rules, and regulations related to customer and employee privacy obligations and protections and, all laws, rules, and regulations, related to the privacy and protection of customer and employee information and data and, all laws, rules, and regulations related to customer and employee solicitations.

(4) Franchisee must, at all times, immediately notify Franchisor in writing of any of the following concerning Franchisee, and/or the Franchised Business: (a) any cause of action, claim, lawsuit, proceeding, and investigation; (b) issuance of any order, writ, injunction, award, and/or decree by any court, agency, or other governmental entity; and (c) any notice of violation of any law, ordinance, code, permit, or regulation.

(5) Franchisee shall, at all times, ensure that all advertising and promotion of the Franchised Business by Franchisee is completely factual and conforms to the highest standards of ethical advertising, and is in conformity with Franchisor's standards and specifications. Franchisee shall refrain from any business practice, advertising practice, or personal conduct that may be injurious to Franchisor, the System, Surv Businesses, and/or the Licensed Marks. Franchisor, in Franchisor's sole discretion, shall possess, among other things, the unilateral right to reject any and all advertising relating to the Franchised Business, Franchisor, the System, Surv Businesses and/or using the Licensed Marks.

(6) Franchisee shall comply with, and cause Franchisee's Owners to comply with and/or to assist Franchisor, to the fullest extent possible, in Franchisor's efforts to comply with Anti-Terrorism Laws (as defined below). In connection with such compliance, Franchisee and each Owner certify, represent, and warrant that Franchisee's or any Owner's property or interests is not subject to being

“blocked” under any of the Anti-Terrorism Laws, and Franchisee and each Owner are not otherwise in violation of any of the Anti-Terrorism Laws. Franchisee further certifies that Franchisee and each Owner are not listed on the Annex to Executive Order 13244 (the Annex is available at <http://www.treasury.gov>) and will not become so listed, hire any person so listed, or have dealings with any person so listed. Franchisee agrees to immediately notify Franchisor if Franchisee or any Owner becomes so listed. “Anti-Terrorism Laws” refers to and means Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any governmental authority addressing, or in any way relating to, terrorist acts and acts of war. If Franchisee, an Owner, or Franchisee’s employees violate any of the Anti-Terrorism Laws and/or become listed on the Annex to Executive Order 13244, then Franchisor may terminate this Agreement immediately without prior notice to Franchisee.

In connection with Franchisee’s compliance with the terms of this Article 7.H., if Franchisee discovers, learns of, and/or becomes aware of any conflict and/or discrepancy between Franchisee’s obligations under this Article 7.H. with Franchisor’s standards and/or specifications as contained in this Agreement, in the Operations Manual, and/or as otherwise designated by Franchisor from time to time, Franchisee shall immediately notify Franchisor in writing of such discrepancy. In the event of any conflict or ambiguity, Franchisor’s determination and/or resolution made by Franchisor, in writing, and, specifically with regard to the presented conflict or ambiguity, shall be determinative as between Franchisor and Franchisee and the operations of the Franchised Business.

#### **7.I. MANAGEMENT OF THE FRANCHISED BUSINESS**

(1) Franchisee agrees that, at all times, that the development and operation of the Franchised Business shall be managed, operated, and maintained under the active, continuing management, substantial personal involvement and hands-on supervision, of Franchisee’s Managing Owner. The Managing Owner must at all times be actively involved in the operation of the Franchised Business unless Franchisee delegates management functions to an authorized Operating Manager who, among other things, satisfactorily completes Franchisor’s Training Program, and otherwise meets the criteria and conditions for qualification as an Operating Manager as designated and determined by Franchisor from time to time. If the Operating Manager is a family member of Franchisee and/or an Owner then the Operating Manager shall also sign and agree to be bound by the terms of the Franchise Owner and Spouse Agreement and Guaranty.

(2) Franchisee must, at all times, faithfully, honestly and diligently perform its obligations hereunder, and continuously exert its best efforts to promote and enhance the business of the Franchised Business and the goodwill of the Licensed Marks and the System.

(3) If, at any time, the Franchised Business is not being managed by a Managing Owner or Operating Manager who satisfactorily completed the Training Program, Franchisor is authorized, but is not required, to immediately appoint a manager to maintain the operations of the Franchised Business for and on behalf of Franchisee. Franchisor’s appointment of a manager of the Franchised Business does not relieve Franchisee of its obligations or constitute a waiver of Franchisor’s right to terminate the Franchise pursuant to Article 16. Franchisor is not liable for any debts, losses, costs or expenses incurred in the operations of the Franchised Business or to any creditor of Franchisee for any products, materials, supplies or services purchased by the Franchised Business while it is managed by Franchisor’s appointed manager.

(4) Franchisee shall, at all times, maintain sufficient working capital to fulfill its obligations under this Agreement.

#### **7.J. REMEDIES FOR NON-COMPLIANCE WITH OPERATIONAL STANDARDS**

In addition to all other rights afforded to Franchisor under this Agreement, in connection with any, each, and every violation of any term, provision, and/or operational requirement as set forth in this Article 7 (an “Operations Violation”), within 14 days of Franchisor’s invoice, Franchisee shall pay to Franchisor an operations non-compliance fee (the “Operations Non-Compliance Fee”) in the amount of: (a) \$1,000 for each and every instance/event related to an Operations Violation involving the sale of services and/or products that are not Approved Services and Products; (b) \$1,000 for each and every instance/event related to an Operations Violation involving the failure to exclusively use System Supplies, and/or Franchisor designated suppliers; and (c) \$450 for all other Operations Violation. Additionally, in each of the foregoing instances, within 14 days of Franchisor’s invoice, Franchisee shall pay to Franchisor all costs and expenses incurred by Franchisor in connection with any inspections, audits, and/or re-inspections directed and/or undertaken by Franchisor for the purpose, as determined by Franchisor in Franchisor’s Reasonable Business Judgment, of determining whether or not Franchisee’s Operations Violation has been cured in accordance with Franchisor’s standards and specifications. The foregoing does not constitute Franchisor’s consent to and/or acquiescence to Operations Violations. Nothing contained in this Article 7.J. shall be interpreted as interfering with and/or negating Franchisor’s rights and remedies as set forth in Article 16, and as otherwise set forth in this Agreement. All rights and remedies of Franchisor are cumulative and shall be interpreted as cumulative to one another.

#### **7.K EMPLOYEES**

Background checks and credit checks must be performed upon all employees of the Franchised Business prior to their date of hire, and the report information provided by such checks must be acceptable under the guidelines provided in the Operations Manual. Franchisee must update background checks on existing employees at the frequency stated in the Operations Manual or more frequently if Franchisee has reason to suspect an employee’s record has substantially changed. Franchisee shall have sole authority and discretion regarding all employment matters relating to Franchisee’s personnel, including, without limitation, hiring, firing, discipline, compensation, benefits, and scheduling. Franchisee is solely responsible for ensuring that Franchisee’s employees are adequately trained and supervised.

### **ARTICLE 8** **INSURANCE**

Franchisee, at Franchisee’s sole expense, must purchase and maintain in full force at all times during the Term of this Agreement an insurance policy or policies protecting Franchisee as named insured and naming, as additional insureds, Franchisor, Franchisor’s affiliates, Franchisor’s successors and assigns, and the officers, directors, shareholders, partners, agents, representatives, independent contractors and employees of Franchisor. The policy or policies must be written by a carrier or carriers with an A.M. Best Rating of at least A-, VII and reasonably acceptable to Franchisor. From time to time Franchisor may designate preferred insurance brokers and insurance carriers.

The currently required insurance policies, insurance coverage requirements, and insurance coverage amounts are designated and set forth in the Operations Manual. Franchisor may, in Franchisor’s Reasonable Business Judgment, periodically change the amounts of coverage required under such insurance policies and require different or additional kinds of insurance at any time, including excess liability insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. Notwithstanding the immediately foregoing sentence, Franchisor shall not increase such minimum coverage more than once every two years. All public liability and property damages policies must contain a provision that Franchisor is entitled to recover under these policies on any loss occasioned to Franchisor, Franchisor’s affiliates, Franchisor’s successors and assigns, and the officers, directors, shareholders, members, owners, partners, agents, representatives, independent contractors, and employees of Franchisor by reason of the negligence of Franchisee and/or Franchisee’s

officers, directors, shareholders, members, owners, partners, agents, representatives, independent contractors, and employees. By the earlier of 90 days after the Effective Date or prior to the commencement of the Training Program, Franchisee must deliver, or cause to be delivered, to Franchisor a copy of the certificates of insurance demonstrating Franchisee's compliance with this Article 8. All insurance policies required must expressly provide that no less than 30 days' prior written notice shall be given to Franchisor in the event of a material alteration to, or cancellation of, any insurance policy Franchisee is required to maintain in accordance with this Agreement.

In the event Franchisee fails, for any reason, to procure or maintain the insurance required by this Agreement, then Franchisor has the right and authority (but not the obligation) to immediately procure insurance and charge all costs, fees, and expenses associated with same to Franchisee, which such charges, together with a reasonable administrative fee for Franchisor's expenses in so acting, shall be immediately payable by Franchisee to Franchisor upon demand. The foregoing remedies are in addition to any other remedies Franchisor may have under this Agreement, at law, or in equity.

## **ARTICLE 9**

### **BRAND DEVELOPMENT AND MARKETING**

Franchisor is not required to conduct any marketing on behalf of Franchisee or the System.

#### **9.A. BRAND DEVELOPMENT FUND**

At all times and from time to time, as determined by Franchisor, in Franchisor's Reasonable Business Judgment, Franchisor may institute, implement, maintain, delegate and administer a brand development fund (the "Brand Development Fund"). The following shall apply to the Brand Development Fund at all times throughout the Term:

- (1) If Franchisor institutes the Brand Development Fund, Franchisee shall pay, on the Due Date, a mandatory and continuing fee to the Brand Development Fund in an amount equal to a percentage of Gross Revenue (as determined and designated by Franchisor in Franchisor's Reasonable Business Judgment) for each Accounting Period (the "Brand Development Fund Fee"), provided, however, Franchisee will not be required to contribute more than 2% of the Gross Revenue of the Franchised Business for each Accounting Period;
- (2) Franchisor will provide Franchisee with written notice of the percentage of Gross Revenue that Franchisee is required to contribute to the Brand Development Fund. Upon such written notice to Franchisee, the percentage of Gross Revenue to be paid by Franchisee to the Brand Development Fund will be applicable for each and every Accounting Period thereafter during the Term until otherwise designated by Franchisor in writing. The Brand Development Fund Fee shall be paid to Franchisor on the Due Date and in accordance with the payment terms and method set forth in Article 5.C. for the payment of Royalty Fees or as otherwise designated by Franchisor;
- (3) Franchisor, in Franchisor's Reasonable Business Judgment, shall direct all advertising, media placement, marketing and public relations programs and activities financed by the Brand Development Fund, with sole discretion over the strategic direction, creative concepts, materials, and endorsements used by the Brand Development Fund, and the geographic, market, and media placement and allocation thereof. Without limiting the foregoing, the Brand Development Fund may also be utilized for evaluation and monitoring of the Business Management Systems, maintenance and upgrades to the System Website, and development of Digital Media;
- (4) Franchisee agrees that the purpose of the advertising, media, marketing and activities financed by the Brand Development Fund is and shall be for the general enhancement of the System

brand as associated with the Licensed Marks and general public brand recognition and awareness of the Licensed Marks. The Brand Development Fund will not be utilized to directly or indirectly market or promote the Franchised Business or, unless otherwise directed by Franchisor, in Franchisor's Reasonable Business Judgment, pay for media placements that may benefit or include any media market that includes Franchisee's Administrative Office or Operating Territory;

(5) Franchisee agrees that the Brand Development Fund may be used to pay various costs and expenses of Franchisor for such reasonable salaries, wages, administrative costs and overhead as Franchisor may incur in activities reasonably related to the administration, activities and/or the brand awareness goals of the Brand Development Fund including expenses incurred by Franchisor for advertising, advertising councils, franchisee advisory councils, marketing, product and service testing, product and service development, maintenance, evaluation and monitoring of the Business Management Systems, upgrades to the System Website, development of Digital Media and creative development that is internally administered or prepared by Franchisor and other marketing activities made by Franchisor, provided, however, that salary expenses for Franchisor's personnel paid by the Brand Development Fund shall be commensurate with the amount of that time spent by such personnel on Brand Development Fund matters. Franchisor shall not use contributions to the Brand Development Fund to defray any of Franchisor's general operating expenses, except for such reasonable salaries, administrative costs and overhead as Franchisor may incur in activities reasonably related to the administration and activities of the Brand Development Fund and creation or conduct of its marketing programs including, without limitation, conducting market research, preparing advertising and marketing materials and collecting and accounting for contributions to the Brand Development Fund. Franchisor may spend in a fiscal year an amount greater or less than the aggregate contributions of all Surv Businesses to the Brand Development Fund in that year;

(6) Franchisee agrees to participate in all advertising, marketing, promotions, research and public relations programs instituted by the Brand Development Fund;

(7) Surv Businesses owned by Franchisor or Franchisor's affiliates are not required to pay any Brand Development Fund Fee or contribute to or make any contribution to the Brand Development Fund;

(8) Franchisee and Franchisor acknowledge and agree that (a) the Brand Development Fund is not a trust, (b) Franchisor is not a trustee or fiduciary of the Brand Development Fund, and (c) Franchisor may deposit and maintain any and all funds of the Brand Development Fund Fee in Franchisor's general accounts. Brand Development Fund Fees are not required to be segregated from other assets or accounts of Franchisor. The Brand Development Fund is not required to expend Brand Development Fund Fees in the year that they are collected and the Brand Development Fund may borrow from Franchisor or other lenders at standard commercial interest rates to cover deficits of the Brand Development Fund, and Franchisor may cause the Brand Development Fund to invest any surplus for future use by the Brand Development Fund. All interest earned on monies contributed to the Brand Development Fund will be used to pay costs of the Brand Development Fund before other assets of the Brand Development Fund are expended. A summary statement of monies collected and costs incurred by the Brand Development Fund for Franchisor's immediately preceding fiscal year shall be made available to Franchisee upon Franchisee's written request. Franchisor will have the right to cause the Brand Development Fund to be incorporated or operated through an entity separate from Franchisor at such time as Franchisor deems appropriate, and such successor entity shall have all rights and duties of Franchisor pursuant to this Article 9.A.;

(9) Although Franchisor will endeavor to utilize the Brand Development Fund to develop advertising and marketing materials and programs, Franchisor undertakes no obligation to ensure

that expenditures by the Brand Development Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the Brand Development Fund by Surv Businesses operating in that geographic area or that any Surv Businesses will benefit directly or in proportion to its contribution to the Brand Development Fund from the development of advertising and marketing materials. Franchisor may use the Brand Development Fund to promote or benefit any type of Surv Businesses in the System. Franchisor may use the Brand Development Fund to promote or benefit Surv Businesses located within a particular region of the United States. Franchisee agrees that Franchisee's failure to derive any such benefit will not serve as a basis for a reduction or elimination of its obligation to contribute to the Brand Development Fund. Franchisee agrees that the failure (whether with or without Franchisor's permission) of any other franchisee to make the appropriate amount of contributions to the Brand Development Fund shall not in any way release Franchisee from or reduce Franchisee's obligations under this Article 9, such obligations being separate and independent obligations of Franchisee under this Agreement. Except as expressly provided in this Article 9, Franchisor assumes no direct or indirect liability, responsibility, or obligation to Franchisee with respect to the maintenance, direction, and/or administration of the Brand Development Fund; and

(10) Franchisor, in Franchisor's Reasonable Business Judgment, may establish a council to provide guidance respecting the administration of the Brand Development Fund and marketing matters concerning the Brand Development Fund. The council shall only serve in an advisory capacity and Franchisor shall select members of the council which may be comprised of employees of Franchisor, Franchisor, franchisees of the System and third parties.

#### **9.B. LOCAL MARKETING**

On an on-going monthly basis, Franchisee must spend not less than the greater of: (a) 3.5% of Franchisee's monthly Gross Revenue; or (b) \$1,200 per month on the local marketing of the Franchised Business within and/or targeted to Franchisee's Operating Territory (the "Minimum Monthly Local Marketing Requirement"). On or before the 5<sup>th</sup> day of each calendar year month, or, such other dates as specified by Franchisor, Franchisee shall provide Franchisor with an accurate accounting of Franchisee's local marketing expenditures, placements, activities, and metrics for the immediately preceding month. At the request of Franchisor, Franchisee shall provide Franchisor with on-going access to any and all data and systems that record and/or report information related to Franchisee's local marketing activities and expenditures and to provide Franchisor such other periodic reports and records as may be requested by Franchisor.

If the Franchisee's expenditures in any monthly period do not, in aggregate as to any and/or each respective calendar year monthly period, equal or exceed the Minimum Monthly Local Marketing Requirement for the respective monthly period or periods then Franchisor, in Franchisor's discretion and Reasonable Business Judgment, may require that the deficiency be added as additional local marketing expenditures, for future local marketing over and above the Minimum Monthly Local Marketing Requirement for any particular month or period of time.

Franchisor reserves the right to reject any and all marketing efforts requested by Franchisee and to prescribe all marketing, marketing media, marketing channels, promotions, copy, creative, and messaging that Franchisee may or may not use in Franchisee's marketing of the Franchised Business. Franchisee further agrees that:

(1) In addition to calendar year monthly reports, Franchisee shall provide Franchisor with monthly reports documenting Franchisee's marketing initiatives, expenses incurred, placements secured, and other metrics and financial information as designated by Franchisor;

(2) Prior to opening the Franchised Business, Franchisee shall submit to Franchisor, Franchisee's initial marketing plan for review and approval by Franchisor. Franchisee shall use only those portions of its initial marketing plan that is pre-approved by Franchisor and consistent with Franchisor's standards and specifications. Not less than 30 days prior to the opening of the Franchised Business and during the initial three month period following the Actual Opening Date, Franchisee shall spend not less than \$10,000 to market and promote the grand opening of the Franchised Business, this is inclusive of the initial marketing spend, in accordance with Franchisor's standards and specifications;

(3) Franchisee's marketing efforts and the distribution of each marketing channel and media engaged by Franchisee must be directly targeted to Franchisee's Operating Territory. Franchisee shall not direct or target Franchisee's marketing efforts with the purpose or effect of soliciting or attracting customers outside of Franchisee's Operating Territory. To the extent that Franchisee's marketing efforts involve a marketing medium or distribution channel that is targeted to Franchisee's Operating Territory but reaches outside of and beyond Franchisee's Operating Territory Franchisor, in Franchisor's Reasonable Business Judgment, shall have the right to direct and require Franchisee to discontinue such marketing;

(4) Franchisee grants to Franchisor the right, without compensation to Franchisee, to use Franchisee's name, address, photograph, and biographical information in any publication related to the System, including in relation to the sale of Surv Business franchises; and

(5) Franchisee grants to Franchisor the right to use of Franchisee's financial data and information related to the financial performance of the Franchised Business for reporting purposes within Franchisor's publicly issued and published Franchise Disclosure Document, including in relation to the sale of franchises.

### **9.C. ADVERTISING COOPERATIVE**

At all times Franchisor, in Franchisor's Reasonable Business Judgment, possesses the right to authorize, establish, designate and de-authorize a local or regional advertising cooperative within those markets that Franchisor designates (the "Advertising Cooperative"). Franchisee agrees that Franchisor possesses the sole and exclusive right to designate any geographic area in which two or more Surv Business franchises are located as a region for the purpose of establishing an Advertising Cooperative. If Franchisee's Surv Business or Operating Territory is located within the geographic area of an Advertising Cooperative, franchisee must participate in and contribute to the Advertising Cooperative. Franchisee agrees to the following:

(1) If Franchisor previously instituted or, in the future, institutes an Advertising Cooperative that includes, in whole or in part, Franchisee's Operating Territory or Franchisee's Surv Business Location, Franchisee shall participate in and make such on-going financial contributions to the Advertising Cooperative, as determined by the Advertising Cooperative;

(2) Franchisor may establish foundational and organizational requirements of the Advertising Cooperative including voting provisions that allows the Advertising Cooperative to make decisions based on the simple majority vote (one vote per franchisee Surv Business located within the designated area of the Advertising Cooperative) with a quorum constituting 25% of those franchisees within the Advertising Cooperative;

(3) Unless otherwise authorized and approved by Franchisor in writing, each Advertising Cooperative shall be organized for the exclusive purpose of administering marketing programs and

the development of media (all subject to the review and approval of Franchisor) for use by members of the Advertising Cooperative in local or regional marketing;

(4) If at the time of execution of this Agreement an Advertising Cooperative has been established for a geographic area that includes, in whole or in part, Franchisee's Surv Business location or Operating Territory, or if such Advertising Cooperative is established during the Term of this Agreement, Franchisee shall fully participate in the Advertising Cooperative and Franchisee shall execute, at the request of Franchisor, all documents required by Franchisor and Franchisee shall become a member of the Advertising Cooperative subject to the terms of those documents;

(5) Franchisee shall contribute to the Advertising Cooperative in the amounts as determined and required by the Advertising Cooperative or, otherwise in accordance with those documents governing the operation of the Advertising Cooperative; provided, however, Franchisee's contributions to the Advertising Cooperative shall not exceed Franchisee's local minimum marketing obligations set forth in Article 9.B. of this Agreement and Franchisee's contributions to the Advertising Cooperative shall count toward satisfaction of Franchisee's minimum local marketing obligations set forth in Article 9.B.;

(6) Franchisee shall submit to the Advertising Cooperative and to Franchisor such statements and reports as may be required by the Advertising Cooperative and approved by Franchisor. All contributions to the Advertising Cooperative shall be maintained and administered in accordance with the documents governing the Advertising Cooperative. The Advertising Cooperative shall be operated solely for the purpose of collection and expenditure of the Advertising Cooperative's fees for the purpose set forth in this Article 9.C.;

(7) No marketing materials, plans, or media may be used by the Advertising Cooperative or its members without the prior written approval of Franchisor;

(8) Surv Businesses owned by Franchisor and/or Franchisor's affiliates that are located within the geographic area of the designated Advertising Cooperative are not required to make contributions to the Advertising Cooperative; and

(9) The Advertising Cooperative must comply with the rules and regulations established by Franchisor in the Operations Manual which may be modified by Franchisor from time to time.

#### **9.D. REQUIRED FRANCHISOR APPROVAL OF ALL MARKETING**

All marketing and promotion of the Franchised Business and all marketing media, campaigns, marketing channels, and efforts used by Franchisee must conform to Franchisor's standards and specifications as set forth in the Operations Manual or, as may be otherwise directed by Franchisor in writing from time to time. If Franchisee wishes to propose to Franchisor for approval or disapproval marketing or promotional efforts, campaigns, and/or media that are not presently and expressly approved and authorized by Franchisor, Franchisee shall submit a written request, including samples of all proposed marketing materials and a description of the marketing channels and distribution to Franchisor for Franchisor's approval or disapproval, that shall be at the sole discretion of Franchisor, in Franchisor's Reasonable Business Judgment. Provided that Franchisee has satisfied the written notice requirements set forth in this Article 9.D. and provided that Franchisee otherwise timely responds in writing to any and all requests by Franchisor for additional information, if Franchisor does not notify Franchisee that Franchisor disapproves the materials within 15 days from the date Franchisor receives the materials, then Franchisee may commence using the materials. However, Franchisor may still disapprove such materials by notice to Franchisee, and Franchisee must then cease using such materials upon receipt of such notice. Franchisee must not use any advertising or promotional materials that Franchisor has disapproved.

**9.E. WAIVERS OR DEFERRALS**

On written request from Franchisee with reasons supporting such request, Franchisor may, at Franchisor's sole discretion and on conditions Franchisor deems appropriate, temporarily waive or defer the obligations of Franchisee under the Brand Development Fund and/or, if applicable, Advertising Cooperative. In no event shall such waiver or deferral extend beyond six months. However, at the end of any waiver or deferral period, Franchisee may resubmit a request for waiver or deferral of its obligations under the Brand Development Fund and/or, if applicable, Advertising Cooperative. Franchisor shall not be under any obligation to grant any waiver or deferral. Franchisor may reject Franchisee's request for a waiver or deferral based on any reason or no reason at all and, nevertheless grant the request of another system franchisee.

**9.F. DIGITAL MEDIA AND WEBSITE PROHIBITIONS**

Franchisee's use of Digital Media shall be subject to and require Franchisor's express written consent which shall and may be withheld by Franchisor for any or no reason at all. Without limitation to the foregoing, Franchisee possesses no right or authority to utilize Digital Media and Franchisee agrees that Franchisor reserves all rights respecting the marketing, sale and distribution of Approved Services and Products through Digital Media. Franchisee agrees that all Digital Media and Digital Media accounts associated with and/or relating to the Franchised Business and/or the System shall, upon demand of Franchisor, be transferred to Franchisor. Upon execution of this Agreement and any and all future dates demanded by Franchisor, Franchisee shall execute and deliver to Franchisor the Assignment of Telephone Numbers and Digital Media Accounts agreement attached to this Agreement as Exhibit 3. The foregoing shall not be interpreted or construed as permitting Franchisee to establish, designate, utilize and/or otherwise establish accounts as to Digital Media respecting and/or concerning the Franchised Business and/or the System.

**9.G. NO MARKETING OUTSIDE FRANCHISEE OPERATING TERRITORY**

Franchisee agrees that Franchisee's marketing and Marketing Media must be directed toward Franchisee's Operating Territory and that Franchisee shall not cause, authorize or engage in any Media Distribution to customers, potential customers and/or customer referral sources outside of Franchisee's Operating Territory, unless: (a) such Media Distribution is a joint distribution with other Surv Businesses and is authorized by Franchisor in writing; and (b) Franchisor, in Franchisor's Reasonable Business Judgment, otherwise agrees to same in writing.

**ARTICLE 10**  
**RELATIONSHIP OF THE PARTIES AND INDEMNIFICATION**

**10.A. INDEPENDENT CONTRACTORS**

This Agreement does not create a fiduciary relationship between Franchisor and Franchisee, Franchisor and Franchisee are independent contractors, and nothing in this Agreement is intended to make either party a general or special agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose. The parties' relationship is strictly a Franchisor and Franchisee relationship. Franchisee is the sole employer of the employees of the Franchised Business. Franchisee has the sole right to select, hire and discharge Franchisee's employees. Franchisee is responsible for all decisions regarding hiring, firing, training, supervising, disciplining, scheduling and paying wages to, and withholding and paying taxes for Franchisee's employees. Franchisee, each Owner, each Spouse, and Franchisee's officers, directors, manager, agents, representatives, independent contractors and employees shall not be construed, considered, or represented as Franchisor's employees, representatives, or agents. There is no joint employer relationship between Franchisor and Franchisee or Franchisee's employees. Franchisee's compliance with all federal, state and local labor laws rules and regulations shall be exclusively determined and managed by Franchisee. To the extent that the Operations Manual includes information, specifications, procedures, criteria and/or requirements as to employees of the Franchised Business, such requirements shall be interpreted exclusively for the purpose of maintaining brand standards associated with the System, to

protect the good will associated with the System, and to ensure System uniformity requirements and standards concerning the Approved Services and Products, and under no circumstance shall same relate to the employer-employee relationship. As to the foregoing issue of “joint employer” and the non-existence thereof, in the event of any inconsistency or conflict between this Agreement and the Operations Manual, the terms of this Agreement shall take precedence and govern.

Franchisee must conspicuously identify itself at the premises of the Franchised Business and in all dealings with customers, lessors, contractors, suppliers, public officials and others as the owner of a Surv Business under a franchise from Franchisor, and Franchisee must place other notices of independent ownership on signs, forms, stationery, advertising and other materials as Franchisor requires.

Franchisee must not employ any Licensed Mark in signing any contract, lease, mortgage, check, purchase agreement, negotiable instrument, or other legal obligation. Franchisee must not employ any Licensed Mark in a manner that is likely to result in liability of Franchisor for any indebtedness, action, inaction, or obligation of Franchisee.

Franchisor and Franchisee shall not make any express or implied agreements, guaranties or representations, or incur any debt, in the name, or on behalf, of the other. Franchisor and Franchisee shall not represent that their relationship is anything other than franchisor and franchisee. Franchisor and Franchisee shall not be obligated by, or have any liability under, any agreements or representations made by the other that are not expressly authorized. Franchisor shall not be obligated for any damages to any person or property directly or indirectly arising out of the operation of the Franchised Business, whether or not caused by Franchisee’s negligent, willful act or failure to act.

Franchisor shall have no liability for any sales, use, excise, gross receipts, property or other taxes, whether levied upon Franchisee, the Franchised Business or its assets, or upon Franchisor in connection with sales made, services performed or business conducted by Franchisee.

#### **10.B. INDEMNIFICATION BY FRANCHISEE**

Franchisee and each Owner shall indemnify, defend through counsel acceptable to Franchisor, and hold Franchisor, Franchisor’s affiliates, and their respective officers, directors, shareholders, members, owners, partners, agents, representatives, independent contractors, employees, assigns and successors (the “Franchisor Indemnified Parties”) harmless from all losses, expenses, claims, causes of action, lawsuits, liabilities, taxes, costs, demands, proceedings, investigations, hearings, and/or damages arising out of, or relating to, the Franchised Business (including, without limitation, the ownership and operation of the Franchised Business), unless such loss, expense, claim, cause of action, lawsuit, liability, tax, cost, demand, proceeding, or damage is solely due to Franchisor’s gross negligence, and Franchisee shall pay all of the Franchisor Indemnified Parties’ reasonable costs, fees and expenses of defending any such claim, cause of action, lawsuit, demand, proceeding, investigation, and/or hearing brought against any of the Franchisor Indemnified Parties or any such claim, cause of action, lawsuit, demand, proceeding, investigation, and/or hearing in which any of the Franchisor Indemnified Parties is named as a party, including, without limitation, reasonable accountant fees, attorney fees, and expert witness fees, court costs, deposition fees, travel expenses and other litigation expenses. At the expense and risk of Franchisee and each Owner, Franchisor may elect to assume (but is not obligated to undertake) the defense and/or settlement of any action, lawsuit, proceeding, claim, or demand. Such an election by Franchisor to assume its defense shall not diminish the obligation of Franchisee and each Owner to indemnify, defend and hold harmless Franchisor. Franchisee and each Owner acknowledge and agree that the terms of this Article 10.B. shall survive the termination, expiration or Transfer of this Agreement. Franchisor Indemnified Parties are not required or obligated to seek recovery from third parties or otherwise mitigate their respective losses in order to maintain a claim against Franchisee or any Owner. Franchisee and each of the Owners agree that

Franchisor's failure to pursue recovery or mitigate loss in no way reduces the amounts recoverable from Franchisee or any Owner.

#### **10.C. INDEMNIFICATION BY FRANCHISOR**

Franchisor shall indemnify, defend, and hold Franchisee and Franchisee's officers, directors, shareholders, members, owners, partners, agents, representatives, independent contractors, employees, assigns and successors (the "Franchisee Indemnified Parties") harmless from all losses, expenses, claims, causes of action, lawsuits, liabilities, taxes, costs, demands, proceedings, investigations, hearings, and/or damages solely arising out of, or solely relating to, Franchisor's gross negligence in the operation of Franchisee's Surv Business that was the direct cause of any such loss, expense, liability or damage provided Franchisee immediately notifies Franchisor of such claim, cause of action, lawsuit, demand, proceeding, investigation or hearing, and Franchisor shall pay all of the Franchisee Indemnified Parties' reasonable costs, fees and expenses of defending any such claim, cause of action, lawsuit, demand, proceeding, investigation, and/or hearing brought against any of the Franchisee Indemnified Parties or any such claim, cause of action, lawsuit, demand, proceeding, investigation, and/or hearing in which any of the Franchisee Indemnified Parties is named as a party, including, without limitation, reasonable accountant fees, attorney fees, and expert witness fees, court costs, deposition fees, travel expenses and other litigation expenses provided Franchisee immediately notifies Franchisor of such claim, cause of action, lawsuit, demand, proceeding, investigation or hearing. Franchisor agrees that the terms of this Article 10.C. shall survive the termination, expiration or Transfer of this Agreement.

### **ARTICLE 11** **LICENSED MARKS AND SYSTEM**

#### **11.A. OWNERSHIP AND GOODWILL**

Franchisee agrees that Franchisor is the owner of all right, title and interest in and to the Licensed Marks, the System, Web Based Media, Published Content and the goodwill associated with the Licensed Marks and the System. Except as otherwise specifically provided in this Agreement, Franchisee agrees that Franchisee possesses no interest or right, whatsoever, in or to the Licensed Marks, the System, Web Based Media, Published Content and the goodwill associated with the Licensed Marks and the System, and Franchisee's right to use the Licensed Marks and the System is derived solely from this Agreement. Any unauthorized use of the Licensed Marks and/or the System by Franchisee or any of Franchisee's affiliates shall constitute an infringement of the rights of Franchisor in and to the Licensed Marks and/or the System. Franchisee agrees that all usage of the Licensed Marks and/or the System by Franchisee, and all goodwill associated with the Licensed Marks and System, shall exclusively benefit Franchisor without granting any goodwill interests or rights to Franchisee except for Franchisee's non-exclusive interest and limited right to use the Licensed Marks and the System in the operation of the Franchised Business, subject to the terms and conditions of this Agreement. Franchisee shall not, at any time during the Term or after the expiration, termination or Transfer of this Agreement, contest the validity or ownership of the Licensed Marks, the System, Web Based Media, Published Content, and/or the goodwill associated with the Licensed Marks and the System, and at no time shall Franchisee assist any other person in contesting the validity or ownership of the Licensed Marks, the System, Web Based Media, Published Content, and/or the goodwill associated with the Licensed Marks and the System. Franchisee and each Owner shall not take any action that prejudices or interferes with the validity of Franchisor's rights with respect to Licensed Marks, the System, Web Based Media, Published Content, and/or the goodwill associated with the Licensed Marks and the System.

#### **11.B. USE OF THE LICENSED MARKS**

Franchisee agrees that the Licensed Marks shall be the sole identification of the Franchised Business. Franchisee must operate, advertise and market the Franchised Business only under the Licensed Marks as designated and specified by Franchisor in Franchisor's Reasonable Business Judgment. Franchisee shall

not use the Licensed Marks as part of its corporate or other legal name, and Franchisee shall not use the Licensed Marks with modifying words, terms, designs, or symbols, or in any modified form. Franchisee shall comply with Franchisor's instructions in filing and maintaining their requisite trade name or fictitious name registrations as may be required by applicable law.

#### **11.C. NOTIFICATION OF INFRINGEMENT AND CLAIMS**

Franchisee must notify Franchisor immediately in writing of any apparent infringement of or challenge to Franchisee's use of any Licensed Mark, the System, or claim by any person of any rights in any Licensed Mark, System feature or component or any similar trade name, trademark or service mark of which Franchisee becomes aware. Franchisee must not communicate with any person other than Franchisor and its counsel in connection with any infringement, challenge or claim. Franchisor and/or its licensor has sole discretion to take any action it deems appropriate and the right to exclusively control any litigation or administrative proceeding arising out of any infringement, challenge or claim or otherwise relating to any Licensed Mark. Franchisee agrees to execute all documents, render assistance and take all actions as may be necessary or advisable to protect and maintain the interests of Franchisor and/or its licensor in any litigation or other administrative proceeding or to otherwise protect and maintain the interests of Franchisor and/or its licensor in the Licensed Marks. Franchisor will reimburse Franchisee for reasonable direct expenses incurred by Franchisee in assisting Franchisor in any such litigation or administrative proceeding.

#### **11.D. DISCONTINUANCE OF USE OF LICENSED MARKS**

Franchisee agrees that at any time should Franchisor determine, in Franchisor's sole discretion and based on Franchisor's Reasonable Business Judgment, that it is advisable for Franchisor, the System, and/or Franchisee to replace, modify, substitute, and/or discontinue use of any Licensed Marks, then Franchisee shall comply with Franchisor's determination and instructions as to the replacement, modification, substitution, and/or discontinuance of such Licensed Marks. Franchisee shall comply within the foregoing requirements within a reasonable time period after notice by Franchisor. If Franchisee is required to take action pursuant to instruction by Franchisor pursuant to this **Article 11.D.** or, if Franchisee is otherwise required to replace, modify, substitute, and/or discontinue use of any Licensed Marks, the sole liability and obligation of Franchisor to Franchisee shall be to reimburse Franchisee for the reasonable and direct costs incurred by Franchisee in complying with this obligation, which Franchisee shall document to the satisfaction of Franchisor. Franchisor maintains the exclusive right, in Franchisor's Reasonable Business Judgment, to, in whole or in part, replace, modify, substitute and/or discontinue any and all features and/or components of the Licensed Marks and/or the System at any time.

#### **11.E. INDEMNIFICATION OF FRANCHISEE**

If Franchisee is sued in a legal proceeding or is threatened with legal action and/or a notice of infringement by a third party where the claims and/or causes of action directly relate to a third party claiming trademark infringement, unfair competition, and/or trademark dilution as a result of Franchisee's use of the Licensed Marks in accordance with the terms of this Agreement and the System (the "IP Claim"), then Franchisor shall indemnify Franchisee for the reasonable and direct costs incurred by Franchisee and/or a judgment entered against Franchisee, provided: (a) Franchisee immediately notified Franchisor of the IP Claim by a written notice sent to Franchisor via priority overnight courier; (b) Franchisee provided and afforded Franchisor the absolute opportunity and right to defend against the IP Claim and to select and appoint legal counsel of Franchisor's choosing; and (c) Franchisee utilized the Licensed Marks in accordance with the terms of this Agreement and the System. Franchisee agrees that time is of the essence with respect to notifying Franchisor of the IP Claim in accordance with this Agreement, including this **Article 11.E.**

#### **11.F. OWNERSHIP OF INNOVATIONS, IMPROVEMENTS AND INFORMATION**

Franchisee agrees that with regard to the Franchised Business, all customer lists, including the contents and information contained in all customer lists, constitute Confidential Information and an asset of Franchisor whether or not such information was supplied by Franchisor. During the Term, and in connection with the

development, establishment, marketing, promotion and operation of the Franchised Business, Franchisee shall disclose to Franchisor all of Franchisee's ideas, concepts, methods, and products conceived or developed by Franchisee, any Owner, and/or Franchisee's affiliates, officers, directors, shareholders, partners, agents, members, representatives, independent contractors, servants and employees relating to the development and operation of Surv Businesses and the System. Franchisee hereby assigns to Franchisor, and Franchisee agrees to procure an assignment of any such ideas, concepts, methods, and products that Franchisee is required to disclose to Franchisor under this Article 11.F. from each Owner and Franchisee's affiliates, officers, directors, shareholders, partners, agents, members, representatives, independent contractors, servants and employees. Franchisor shall have no obligation to tender any lump sum payment, on-going payments, or any other consideration to Franchisee, any Owner, each Owner and Franchisee's affiliates, officers, directors, shareholders, partners, agents, members, representatives, independent contractors, servants and employees with respect to any such idea, concept, method, technique or product. Franchisee agrees that Franchisee shall not use, or allow any other person or entity to use, any such concept, method, technique, or product without obtaining Franchisor's prior written approval.

## **ARTICLE 12 RECORDS AND REPORTS**

### **12.A. MAINTENANCE AND PRESERVATION OF RECORDS**

Franchisee shall maintain during the Term and preserve for at least three years from the dates of their preparation, full, complete and accurate books, records, and accounts from the Franchised Business. Franchisor shall have remote access to such records, and the records shall be maintained and preserved in the form and manner by Franchisor in the Operations Manual or otherwise in writing.

### **12.B. REPORTING OBLIGATIONS**

In additional to the reporting obligations otherwise set forth in this Agreement, upon Franchisor's written request, Franchisee agrees to provide Franchisor with the following additional reporting obligations, as Franchisor may require periodically:

- (1) Royalty and Activity Reports – on the Due Date each week, Franchisee shall report, transmit, confirm, and/or otherwise make available to Franchisor, the Royalty and Activity Report as designated by Franchisor and in accordance with the terms of this Agreement.
- (2) Monthly Financial Statements and Reports – within 30 days of the end of each calendar month Franchisee shall submit to Franchisor monthly financial statements and other reports related to the operations of the Franchised business including, but not limited to, income statement, statement of cash flows, balance sheet, and other operational reports designated by Franchisor. Franchisee represents that the financial statements, information, and reports submitted to and/or made available to Franchisor shall be and remain true and accurate. The financial statements must be prepared in accordance with GAAP and, additionally, shall reconcile Gross Revenue per GAAP to Gross Revenue per this Agreement;
- (3) Annual Financial Statements and Reports – within 60 days of the end of each calendar year, Franchisee shall submit to Franchisor Franchisee's annual financial statements and other reports related to the operations of the Franchised business including, but not limited to, income statement, statement of cash flows, balance sheet, and other operational reports designated by Franchisor. The financial statements must be prepared by a licensed CPA and in accordance with GAAP and, additionally, shall reconcile Gross Revenue per GAAP to Gross Revenue per this Agreement;
- (4) Tax Returns – Franchisee shall provide to Franchisor, Franchisee's annual federal, state and local tax returns as same are prepared and submitted to the applicable federal, state and local

entities. Said tax returns shall be submitted to Franchisor within 45 days of Franchisee or Franchisee's agent filing such returns with the applicable federal, state and local entities; and

(5) Other Reports – Franchisee shall timely submit to Franchisor, all other forms, reports, records, information, and data as Franchisor may reasonably request in writing or as otherwise set forth in the Operations Manual.

### **12.C. REMEDIES FOR NON-COMPLIANCE WITH RECORDS AND REPORTING**

In addition to all other rights afforded to Franchisor under this Agreement, in connection with any, each, and every violation of any term, provision, and/or operational requirement as set forth in this Article 12 (a "Reporting Violation"), within 14 days of Franchisor's invoice, Franchisee shall pay to Franchisor a reporting non-compliance fee (the "Reporting Non-Compliance Fee") in the amount of \$150 for each and every failure to timely submit a report and/or record as set forth in this Article 12. The foregoing does not constitute Franchisor's consent to and/or acquiescence to Reporting Violations. Nothing contained in this Article 12.C. shall be interpreted as interfering with and/or negating Franchisor's rights and remedies as set forth in Article 16 and as otherwise set forth in this Agreement. All rights and remedies of Franchisor are cumulative and shall be interpreted as cumulative to one another.

## **ARTICLE 13 INSPECTION AND AUDITS**

### **13.A. FRANCHISOR'S RIGHT TO INSPECT**

Franchisor has the right at any time during business hours, and without prior notice to Franchisee, to inspect Franchisee's non-residential Administrative Office, Service Vehicles and System Supplies. Franchisee shall fully cooperate with representatives of Franchisor making any inspection and permit such representatives of Franchisor to take photographs, videos, and/or recordings of the Franchised Business, operations of the Franchised Business, interview employees and customers of the Franchised Business, conduct secret-shopper inspections, and other inspections either with or without notice to Franchisee. Franchisor shall undertake reasonable efforts to minimize the impact of any inspection on the operations of the Franchised Business.

### **13.B. FRANCHISOR'S RIGHT TO EXAMINE BOOKS AND RECORDS**

Franchisor has the right at any time during business hours, and without prior notice to Franchisee, to examine or audit, or cause to be examined or audited by a third party, the business records, cash control devices, bookkeeping and accounting records, bank statements, sales and income tax records and returns, and other books, statements, and records of the Franchised Business and Franchisee. Franchisee shall maintain complete and accurate copies all such books, statements, records and supporting documents at all times at Franchisee's Administrative Office. Franchisee must fully cooperate with Franchisor, representatives of Franchisor, and third parties hired by Franchisor to conduct any such examination or audit. In the event Franchisor's examination of Franchisee's records reveals that Franchisee underreported any figure to Franchisor by more than 2%, then Franchisee shall reimburse to Franchisor, all of Franchisor's costs in connection with Franchisor's audit/examination.

## **ARTICLE 14 TRANSFER OF INTEREST**

### **14.A. TRANSFER BY THE FRANCHISOR**

At all times, Franchisor possesses and maintains the sole, absolute and unilateral right to Transfer and/or assign this Agreement, Franchisor's rights and obligations under this Agreement, and the Ancillary Agreements, in whole and/or in part (for any purpose and in any form of transaction as may be designated and/or elected by Franchisor, in Franchisor's sole discretion) to any person, entity, Corporate Entity and/or

third party without the consent of Franchisee and without the approval of Franchisee or any other party. Nothing contained in this Agreement shall prevent, prohibit, restrict, hinder, enjoin or otherwise restrain Franchisor from selling, transferring, conveying, or assigning this Agreement and the Ancillary Agreements, and/or Franchisor's rights and obligations under this Agreement and the Ancillary Agreements, to any person, entity, Corporate Entity or other third party. Franchisor has an unrestricted and unequivocal right to Transfer and/or assign any of its rights or obligations under this Agreement and the Ancillary Agreements, in whole or in part, in Franchisor's sole discretion. In the event Franchisor Transfers and/or assigns this Agreement and/or the Ancillary Agreements, and/or any or all of Franchisor's rights and obligations set forth in this Agreement and/or the Ancillary Agreements, to a person, an entity, Corporate Entity, or other third party, this Agreement and the Ancillary Agreements, shall survive, remain in full force and effect, and inure to the benefit of the purchaser, transferee, conveyee, and/or assignee of this Agreement and/or the Ancillary Agreements and/or Franchisor's rights and obligations under this Agreement and/or the Ancillary Agreements.

#### **14.B. FRANCHISEE MAY NOT TRANSFER WITHOUT FRANCHISOR APPROVAL**

Franchisee agrees, and, Franchisee represents and warrants that Franchisee's Owners understand and agree, that the rights and duties set forth in this Agreement are personal to Franchisee and each Owner. Therefore, Franchisee agrees that:

- (1) No ownership interest of any Owner in Franchisee may be Transferred without the prior written consent of Franchisor;
- (2) No obligations, rights or interest of Franchisee in (a) this Agreement, (b) the Franchised Business, or (c) all or substantially all of the assets of the Franchised Business may be Transferred without the prior written consent of Franchisor. This restriction shall not prohibit Franchisee from granting a mortgage, charge, lien, or security interest in the assets of the Franchised Business or this Agreement for the exclusive purpose of securing financing for the initial development (occurring prior to the Actual Opening Date) of the Franchised Business;
- (3) Without limitation to the foregoing, any Transfer by Franchisee respecting and/or relating to this Agreement and/or the Franchised Business and/or assets associated with the Franchised Business will require the prior written consent of Franchisor where such Transfer occurs by virtue of: (a) divorce or legal dissolution of marriage; (b) insolvency; (c) dissolution of a Corporate Entity; (d) last will and testament; (e) intestate succession; or (f) declaration of, or transfer in trust;
- (4) Any purported Transfer without the written consent of Franchisor, or otherwise in violation of this Agreement including, but not limited to this Article 14.B. shall constitute a breach of this Agreement and shall convey to the transferee no rights or interests in this Agreement; and
- (5) In the event of a Transfer of this Agreement that is approved by Franchisor, Franchisee shall not be relieved of Franchisee's obligations under this Agreement whether said obligations accrued and/or arose prior to and/or after the date of Transfer.

#### **14.C. CONDITIONS FOR APPROVAL OF TRANSFER**

Provided Franchisee and each Owner and Spouse, respectively, are in substantial compliance with this Agreement and the Ancillary Agreements, and Franchisor does not elect to exercise Franchisor's right of first refusal as set forth in Article 14.F. below, Franchisor shall not unreasonably withhold its approval of a Transfer by Franchisee or an Owner. The proposed transferee (including such assignee's owner(s) and spouse(s) if the proposed transferee is a Corporate Entity) must be of good moral character, have sufficient business experience, aptitude and financial resources to own and operate a Surv Business, and otherwise meet Franchisor's then applicable standards for franchisees as determined by Franchisor in its sole, but

reasonable discretion. Furthermore, the proposed transferee and the proposed transferee's owners and spouses may not own or operate, or intend to own or operate, a Competitive Business. Franchisee agrees that Franchisor may condition approval of a Transfer upon Franchisee's satisfaction (either before, or contemporaneously with, the effective date of the Transfer) of the following:

- (1) Franchisee must provide written notice to Franchisor of the proposed Transfer of this Agreement at least 30 days prior to the Transfer, and Franchisee must have also satisfied the obligations set forth in Article 14.F. below;
- (2) All accrued monetary obligations of Franchisee and all other outstanding obligations to Franchisor and/or Franchisor's affiliates under this Agreement and the Ancillary Agreements must be satisfied in a timely manner, and Franchisee must satisfy all trade, supplier, and vendor accounts and other debts, of whatever nature or kind, in a timely manner;
- (3) Franchisee, each Owner, and each Spouse must not be in default or material breach of this Agreement or the Ancillary Agreements;
- (4) The transferee shall be bound by all terms and conditions of this Agreement, and each owner of the transferee and their respective spouses shall personally execute the Franchise Owner and Spouse Agreement and Guaranty in the form attached to this Agreement as Exhibit 1;
- (5) All obligations of Franchisee under this Agreement and the Ancillary Agreements shall be assumed by the transferee, each individual owner of transferee, and their respective spouses in a manner satisfactory to Franchisor;
- (6) Franchisee, each Owner, and each Spouse must execute the General Release attached to this Agreement as Exhibit 5 releasing Franchisor, Franchisor's affiliates and Franchisor's past and present officers, directors, shareholders, members, partners, agents, representatives, independent contractors, servants and employees, of any and all claims against Franchisor for matters arising on, or before, the effective date of the Transfer;
- (7) If the proposed Transfer includes or entails the Transfer of this Agreement, substantially all of the assets of the Franchised Business, a controlling interest in Franchisee, or is one of a series of Transfers which in the aggregate Transfers substantially all of the assets of the Franchised Business or a controlling interest in Franchisee, then, at the election of Franchisor and upon notice from Franchisor to Franchisee, the transferee may be required to execute (and/or, upon Franchisee's request, shall cause all interested parties to execute) for a term ending on the expiration date of the original Term of this Agreement, the then current standard form Franchise Agreement offered to new franchisees of Surv Businesses and any other agreements as Franchisor requires. Such agreements shall supersede this Agreement and its associated agreement in all respects, and the terms of Franchisor's then current agreements may differ from the terms in this Agreement, provided that such agreements shall provide for the same Royalty Fee, Advertising Contributions, and all other financial or monetary obligations established in this Agreement;
- (8) The transferee, at its expense, must improve, modify, refurbish, renovate, remodel, and/or otherwise upgrade Franchisee's non-residential Administrative Office to conform to the then current standards and specifications of Franchisor, and the transferee must complete such improvements, modifications, refurbishments, renovations, remodeling, and/or upgrading within the time period Franchisor reasonably specifies;

- (9) Franchisee, each Owner, and each Spouse shall remain liable for all obligations to Franchisor set forth in this Agreement;
- (10) At the transferee's expense, the transferee, and the transferee's Managing Owner, managers and/or any other applicable employees of transferee's Surv Business must complete any training programs then in effect for franchisees of Surv Businesses upon terms and conditions set forth in this Agreement or as Franchisor otherwise reasonably requires;
- (11) Franchisee must pay the Transfer Fee;
- (12) Franchisor's approval of the material terms and conditions of the Transfer, and Franchisor determines in Franchisor's Reasonable Business Judgment that the price and terms of payment are not so burdensome as to be detrimental to the future operations of the Franchised Business by the transferee;
- (13) Transferee's employees, directors, officers, independent contractors, and agents who will have access to Confidential Information shall execute the Confidentiality Agreement attached hereto as Exhibit 2;
- (14) Franchisee entering into an agreement with Franchisor agreeing to subordinate any obligations of transferee to make installment payments of the purchase price to Franchisee to the transferee's obligations to Franchisor, including, without limitation, transferee's obligations with respect to Royalty Fees and Advertising Contributions;
- (15) Franchisee and transferee acknowledge and agree that Franchisor's approval of the Transfer indicates only that the transferee meets, or Franchisor waived, the criteria established by Franchisor for franchisees as of the time of such transfer, and Franchisor's approval thereof does not constitute a warranty or guaranty by Franchisor, express or implied, of the suitability of the terms of sale, successful operation, or profitability of the Franchised Business;
- (16) Franchisee and transferee acknowledge and agree that Franchisor's approval of the Transfer at issue does not constitute Franchisor's approval of future or other Transfers or the waiver of the requirement that Franchisor must approve such future or other Transfers in accordance with this Agreement;
- (17) The Transfer must be made in compliance with all applicable laws;
- (18) The Transfer of the Franchised Business, the lease for Franchisee's non-residential Administrative Office (if applicable), and the assets of the Franchised Business shall be made only in conjunction with a Transfer of this Agreement, approved by Franchisor in accordance with and subject to this Article 14 and the terms and conditions of this Agreement; and
- (19) Franchisor's consent to a Transfer of any interest that is subject to the restrictions of this Agreement shall not constitute a waiver of any claims it may have against Franchisee or deemed a waiver of Franchisor's right to demand strict and exact compliance with this Agreement by the transferee.

#### **14.D. DEATH OR DISABILITY OF FRANCHISEE OR AN OWNER**

- (1) If Franchisee is an individual and not a Corporate Entity, upon the death or permanent disability of Franchisee, the executor, administrator, conservator or other personal representative of

Franchisee, must appoint a manager that meets the equivalent of an Operating Manager within a reasonable time, which shall not exceed 30 days from the date of death or permanent disability. The appointed manager (as applicable) must serve and qualify as an Operating Manager and attend and successfully complete the Training Program within 60 days of the appointment. If Franchisee's Surv Business is not being managed by a Franchisor approved Operating Manager (as applicable) within 30 days after such death or permanent disability, Franchisor is authorized, but is not required, to immediately appoint a manager to maintain the operations of Franchisee's Surv Business for, and on behalf of, Franchisee at Franchisee's sole costs until an approved Operating Manager is able to assume the management and operation of Franchisee's Surv Business. Franchisor's appointment of a manager for Franchisee's Surv Business does not relieve Franchisee of its obligations under this Agreement, including this Article 14.D., or constitute a waiver of Franchisor's right to terminate this Agreement pursuant to Article 16, below. At all times, including while Franchisee's Surv Business may be managed by Franchisor's appointed manager, Franchisor shall not be liable for any debts, losses, costs, or expenses incurred in the operations of Franchisee's Surv Business or to any creditor of Franchisee for any products, materials, supplies or services purchased by Franchisee's Surv Business. Franchisor has the right to charge a reasonable fee (the "Management Service Fees") for such management services and may cease to provide management services at any time.

(2) If Franchisee is a Corporate Entity, upon the death or permanent disability of Franchisee's Managing Owner, the remaining Owners within a reasonable time, which shall not exceed 30 days from the date of death or permanent disability, must appoint a new Managing Owner that is approved by Franchisor. The appointed Managing Owner must attend and successfully complete the Training Program within 60 days of the appointment. If Franchisee's Surv Business is not being managed by a Franchisor approved Managing Owner (as applicable) within 30 days after such death or permanent disability, Franchisor is authorized, but is not required, to immediately appoint a manager to maintain the operations of Franchisee's Surv Business for, and on behalf of, Franchisee at Franchisee's sole costs until an approved Managing Owner is able to assume the management and operation of Franchisee's Surv Business. Franchisor's appointment of a manager for Franchisee's Surv Business does not relieve Franchisee of its obligations under this Agreement, including this Article 14.D., or constitute a waiver of Franchisor's right to terminate this Agreement pursuant to Article 16, below. At all times, including while Franchisee's Surv Business may be managed by Franchisor's appointed manager, Franchisor shall not be liable for any debts, losses, costs, or expenses incurred in the operations of Franchisee's Surv Business or to any creditor of Franchisee for any products, materials, supplies or services purchased by Franchisee's Surv Business. Franchisor has the right to charge a reasonable fee for such management services and may cease to provide management services at any time. Notwithstanding the foregoing, if Franchisee is a Corporate Entity and the Managing Owner is the only Owner of Franchisee, then Article 14.D.(1) shall apply as if the Managing Owner were the sole individual Franchisee.

(3) Upon the death of Franchisee or any Owner, the executor, administrator, conservator or other personal representative of that deceased person must transfer his interest to a person Franchisor approves within a reasonable time, not to exceed 12 months from the date of death.

(4) If Franchisee is an individual, then in the event of the death or permanent disability of Franchisee, this Agreement may be Transferred to any designated person, heir or beneficiary without the payment of the Transfer Fee. Notwithstanding the immediately foregoing sentence, the Transfer of this Agreement to such transferee of Franchisee shall be subject to the applicable terms and conditions of this Article 14, and the Transfer shall not be valid or effective until Franchisor has received the properly executed legal documents, which Franchisor's attorneys deem necessary to properly and legally document such Transfer of this Agreement. Furthermore, said transferee

must agree to be unconditionally bound by the terms and conditions of this Agreement, personally guarantee the performance of Franchisee's obligations under this Agreement, and execute the Franchise Owner and Spouse Agreement and Guaranty attached to this Agreement as Exhibit 1.

#### **14.E. TRANSFER TO WHOLLY OWNED CORPORATE ENTITY**

In the event Franchisee is an individual/are individuals, this Agreement may be Transferred by Franchisee to a Corporate Entity (the "Assignee Corporate Entity"), provided that: (a) Franchisee has provided Franchisor with 30 days prior written notice of the proposed Assignment of this Agreement; (b) Franchisee (individually, jointly and severally as to each individual Franchisee) shall sign and be bound by the Franchise Owner and Spouse Agreement and Guaranty attached to this Agreement as Exhibit 1; (c) the Spouse of each Franchisee (individually, jointly and severally as to each individual Spouse) sign and be bound by the Franchise Owner and Spouse Agreement and Guaranty attached to this Agreement as Exhibit 1; (d) Franchisee has provided Franchisor with true and accurate copies of corporate formation documents related to the Assignee Corporate Entity and the ownership of the Assignee Corporate Entity and has further provided Franchisor with all additional documentation as Franchisee may request concerning the proposed assignment and/or Assignee Corporate Entity; and (e) Franchisee is otherwise in compliance with the terms and conditions of this Agreement and any Ancillary Agreements. Franchisee agrees that an assignment to an Assignee Corporate Entity shall not relieve Franchisee of Franchisee's individual obligations under this Agreement as such obligations existed between Franchisee and Franchisor prior to the date of any assignment to the Assignee Corporate Entity.

#### **14.F. FRANCHISOR'S RIGHT OF FIRST REFUSAL**

If Franchisee or an Owner desire to engage, in whole or in part, in a Transfer of Franchisee, this Agreement, Franchisee's Surv Business, Franchisee's non-residential Administrative Office, and/or Franchisee's Administrative Office, then Franchisee or such Owner (as applicable) must obtain a bona fide, signed written offer from the fully disclosed purchaser (the "Offer") and submit an exact copy of the Offer to Franchisor. Franchisor shall have 30 days after receipt of the Offer to decide whether Franchisor will purchase the interest in Franchisee, Franchisee's Surv Business, Franchisee's non-residential Administrative Office, and/or Franchisee's Administrative Office for the same price and upon the same terms contained in the Offer (however, Franchisor may substitute cash for any form of payment proposed in the Offer). If Franchisor notifies Franchisee that Franchisor intends to purchase the interest within said 30 day period, Franchisee or Owner (as applicable) must sell the interest to Franchisor. Franchisor will have at least an additional 60 days to prepare for closing. Franchisor shall be entitled to receive from Franchisee or Owner (as applicable) all customary representations and warranties given by Franchisee or Owner (as applicable) as the seller of the assets and/or the ownership interest or, at Franchisor's election, the representations and warranties contained in the offer. If Franchisor does not exercise its right of first refusal, Franchisee or Owner (as applicable) may complete the Transfer to the purchaser pursuant to and in accordance with the terms of the Offer, provided that separate and apart from this Article 14.F, right of first refusal, Franchisee complies with the terms of this Article 14. However, if the sale to the purchaser is not completed within 120 days after delivery of the Offer to Franchisor, or there is a material change in the terms of the sale, Franchisor will again have the right of first refusal specified in this Article 14.F. Franchisor's right of first refusal in this Article 14.F, shall not apply to any Transfer pursuant to Article 14.E, of this Agreement.

### **ARTICLE 15 RENEWAL OF FRANCHISE**

#### **15.A. FRANCHISEE'S RIGHT TO RENEW**

Subject to Franchisee's satisfaction of the terms of this Agreement, including this Article 15, Franchisee shall possess the option to renew the franchise for Franchisee's continued license and franchised operation of the Franchised Business for one additional 10 year term (each, a "Renewal Term") provided that

Franchisee is in compliance with the terms of this Agreement and timely and independently complies with the renewal conditions set forth in this Article 15.

#### **15.B. CONDITIONS FOR RENEWAL**

Franchisee's renewal rights under this Article 15 are subject to and contingent upon Franchisee's satisfaction of the following conditions and criteria:

- (1) Not less than 180 days prior to the expiration of the Term but not greater than 270 days prior to the expiration of the Term, Franchisee shall have provided Franchisor with written notice (the "Renewal Notice") of Franchisee's election to renew;
- (2) At the time of delivering the Renewal Notice and at all times thereafter, Franchisee and Franchisee's Owners must be in compliance with the terms of this Agreement and all Ancillary Agreements, and without any default of this Agreement or the Ancillary Agreements;
- (3) Franchisee must possess, present, and demonstrate to Franchisor and, subject to Franchisor's reasonable satisfaction, that: (a) Franchisee maintains the ability to continue to operate the Franchised Business within Franchisee's Operating Territory; and (b) Franchisee possesses the right to occupy and maintain Franchisee's non-residential Administrative Office in accordance with Franchisor's then current standards and specifications;
- (4) Franchisee must satisfy the maintenance, update, and upgrade obligations as set forth in this Agreement;
- (5) Franchisee pays the Renewal Fee and Franchisee agrees to, signs, and delivers to Franchisor, within 30 days of the date of delivery by Franchisor to Franchisee, Franchisor's then current form Franchise Agreement for the Renewal Term (the "Renewal Franchise Agreement");
- (6) Franchisee's Owners and their Spouses, respectively, must agree to, sign, and deliver to Franchisor, within 30 days of the date of delivery by Franchisor to Franchisee, Franchisor's then current individual guaranty agreements, and, thereby, among other things, individually and jointly guarantee the full and complete performance of the Renewal Franchise Agreement including, but not limited to, payment obligations, non-compete obligations, and restrictive covenants (the "Renewal Ancillary Agreements");
- (7) Franchisee and the Owners must, prior to the Renewal Term, undertake and complete, to Franchisor's satisfaction, such additional training, if any, as designated and determined by Franchisor in Franchisor's Reasonable Business Judgment; and
- (8) Franchisee and the Owners must agree to, sign, and deliver to Franchisor, within 30 days of the date of delivery by Franchisor to Franchisee, Franchisor's then current form of general release whereby Franchisee and Franchisee's Owners shall each fully release and discharge Franchisor, Franchisor's affiliates and its officers, directors, shareholders, partners, agents, representatives, independent contractors, servants, employees, successors and assigns from any and all claims, causes of action, and suits arising from and/or related to this Agreement. If local law precludes Franchisee's issuance of a general release, Franchisor at Franchisor's election, may condition renewal on Franchisee's and each Owner's delivery to Franchisor of an estoppel letter advising and informing Franchisor that the undersigned possesses no legal claim or cause of action against Franchisor and is not aware of any facts of circumstances involving any breach of this Agreement by Franchisor or Franchisor's agents or employees.

Failure by Franchisee, and, as applicable, each Owner and Spouse to timely comply with the foregoing conditions shall be deemed an election by Franchisee to not renew the Franchise Agreement.

#### **15.C. RENEWAL FRANCHISE AGREEMENT**

Franchisee agrees that the Renewal Franchise Agreement and Renewal Ancillary Agreements, as determined by Franchisor in Franchisor's sole discretion, may contain terms, conditions, requirements, and rights that are materially and substantively different from those granted and contained in this Agreement.

### **ARTICLE 16** **DEFAULTS AND REMEDIES**

#### **16.A. DEFAULTS BY FRANCHISEE AND TERMINATION BY FRANCHISOR**

(1) **Defaults and Automatic Termination** – At the election of Franchisor, Franchisee shall be in default of this Agreement and this Agreement shall be automatically and immediately terminated, without notice to Franchisee and without providing Franchisee any opportunity to cure, upon the occurrence of any one or more of the following actions, inactions, omissions, events, and/or circumstances:

- (a) Franchisee becomes insolvent, and/or Franchisee makes a general assignment for the benefit of creditors or takes any other similar action for the protection or benefit of creditors;
- (b) Franchisee admits in writing Franchisee's inability to pay its debts as they mature, and/or Franchisee gives notice to any governmental body or agency of insolvency, pending insolvency, suspension of operations and/or pending suspension of operations;
- (c) Franchisee files a voluntary petition in bankruptcy, Franchisee is adjudicated bankrupt or insolvent, and/or Franchisee files any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or other similar relief under any applicable federal and/or state law relative to bankruptcy, insolvency or similar relief for debtors;
- (d) An involuntary petition in bankruptcy is filed against Franchisee and Franchisee fails to have the involuntary petition discharged within 35 days of the petition filing, and/or Franchisee seeks, consents to, or acquiesces in, the appointment of any trustee, receiver, conservator, custodian or liquidator for Franchisee's business or any assets of Franchisee;
- (e) A bill in equity or other proceeding for the appointment of any trustee, receiver, conservator, custodian or liquidator of Franchisee for Franchisee's business or any assets of Franchisee is filed and Franchisee consents to same;
- (f) A court of competent jurisdiction appoints or orders any trustee, receiver, conservator, custodian or liquidator for Franchisee's business or any assets of Franchisee and such appointment or order remains for an aggregate of 60 days, whether or not consecutive, from the date of entry thereof;
- (g) Franchisee initiates proceedings for a composition with creditors under any state or federal law or such a proceeding is initiated against Franchisee;

- (h) This Agreement, or any of Franchisee's rights under this Agreement, is levied upon under any attachment or execution, and/or Execution is levied upon or against the Franchised Business or any assets of Franchisee, and/or a final judgment against Franchisee remains of record or unsatisfied for 30 days or more, unless an appeal and/or bond is filed;
- (i) Franchisee is dissolved;
- (j) A cause of action or lawsuit to foreclose any lien or mortgage against the assets of the Franchised Business;
- (k) A cause of action or lawsuit to foreclose any lien against equipment used in the operation of the Franchised Business and not dismissed within 60 days after the summons is served on Franchisee;
- (l) Real or personal property of Franchisee used in the operation of the Franchised Business is sold after levy thereupon by any sheriff, marshal or other law enforcement officer; and/or
- (m) Upon termination by Franchisor pursuant to Article 16.A.(2), Article 16.A.(3), or Article 16.A.(4) of this Agreement.

**(2) Defaults and Automatic Termination upon Written Notice without Cure Period** – Franchisee shall be in default of this Agreement, and, this Agreement may be terminated by Franchisor, at Franchisor's sole discretion, upon written notice from Franchisor to Franchisee and without providing Franchisee any opportunity to cure, upon the occurrence of any one or more of the following actions, inactions, omissions, events, and/or circumstances, with such termination effective on the date of Franchisor's notice:

- (a) Franchisee, on three or more instances and/or occasions, engages, commits, and/or suffers an action, inaction, omission, event, and/or circumstance that constitutes or qualifies as a default under Articles 16.A.(3) and/or 16.A.(4) of this Agreement, irrespective of whether or not such action, inaction, omission, event, and/or circumstance is the subject of a notice of default from Franchisor to Franchisee pursuant to Articles 16.A.(3) and/or 16.A.(4) of this Agreement and irrespective of whether or not such default was timely cured and irrespective of whether or not Franchisee paid any penalties or additional fees to Franchisor;
- (b) Franchisee, intentionally and knowingly, refuses to comply with and/or breaches any term, condition, provision, and/or requirement of this Agreement with the intent of causing harm to Franchisor, the System, other System franchisee and/or customers of the Franchised Business;
- (c) Franchisee intentionally, knowingly, with prior notice, and/or through negligence, at any time, develops, manages, maintains, and/or operates the Franchised Business in violation of federal, state, and/or local laws, rules, regulations, ordinances, permits, codes and/or conduct resulting in a foreseeable, immediate and/or imminent threat to the health and/or safety of any third party including customers, employees, and/or the public at large;
- (d) Franchisee abandons, surrenders and/or fails to continuously and actively operate the Franchised Business, unless prevented from doing so by casualty that is the subject of Article 7.C. of this Agreement and that is cured/remedied in accordance with Article 7.C.;

- (e) Franchisee, as to applicable, laws, rules and/or regulations, loses and/or fails to continuously possess, the legal right to operate Franchised Business in accordance with the terms of this Agreement and the standards, specifications, and requirements set forth in the Operations Manual and/or as otherwise communicated by Franchisor from time to time;
- (f) As to information, records, statements, and/or data that Franchisee must maintain and/or report to Franchisor pursuant to the terms of this Agreement, the Operations Manual, or as otherwise requested by Franchisor from time to time, the information, records, statements, and/or data maintained by Franchisee and/or reported by Franchisee contains intentional inaccuracies and/or material inaccuracies that are either misleading or false;
- (g) Franchisee attempts to Transfer, or purportedly attempts to Transfer, this Agreement or any of Franchisee's rights under this Agreement, without Franchisor's prior approval, written consent, and/or otherwise not in accordance with this Agreement;
- (h) If Franchisee is a Corporate Entity, an Owner of Franchisee attempts to Transfer, or purportedly Transfers, the Owners equity interests, ownership interests, and/or rights in Franchisee without Franchisor's prior approval, written consent, and/or otherwise not in accordance with this Agreement;
- (i) Franchisee discloses, divulges, provides access to, communicates, and/or permits the communication of the contents, data and/or information contained in the Operations Manual to any third party not otherwise authorized by Franchisor;
- (j) Franchisee discloses, divulges, provides access to, communicates, and/or permits the communication of Confidential Information to any third party not otherwise authorized by Franchisor;
- (k) Franchisee engages in any activity that injures, harms, damages, or otherwise has a material adverse effect on Franchisor, the System, the Licensed Marks, Surv Businesses, the Franchised Business, and/or the reputation of the Surv brand;
- (l) Franchisee, an Owner, and/or a Spouse, as applicable and whether individually or jointly, breaches or is in default of an Ancillary Agreement, and, if the applicable agreement provides for the opportunity to cure, fails to timely cure the breach or default of the Ancillary Agreement, including, without limitation, the Franchise Owner and Spouse Agreement and Guaranty;
- (m) Franchisee and/or an Owner of Franchisee is convicted of a felony crime, and/or pleads guilty or nolo contendere to a felony crime;
- (n) Franchisee and/or an Owner of Franchisee engages in intentionally dishonest and/or unethical conduct that, in Franchisor's Reasonable Business Judgment, results in embarrassment to Franchisor, the System, the Licensed Marks, Surv Businesses, the Franchised Business, and/or the reputation of the Surv brand;
- (o) Franchisee fails to complete, to Franchisor's reasonable satisfaction, the Training Program and/or supplemental training programs designated by Franchisor;
- (p) Franchisee fails, upon receiving actual or constructive notice, to: (1) immediately notify Franchisor of any known breach of the Confidentiality Agreement by any person or

entity; (2) immediately notify Franchisor of facts and information that would cause a reasonable person to believe that a person or entity violated the Confidentiality Agreement and/or is in the process of violating the Confidentiality Agreement; and (3) take reasonable steps including ,notice to Franchisor and Franchisee’s consultation with Franchisee’s legal counsel, to prevent any person or entity from violating the terms of the Confidentiality Agreement and/or otherwise publicly disseminating Confidential Information;

(q) Franchisee misappropriates, misuses, or makes any unauthorized use of the Licensed Marks, the Confidential Information, and/or the System and/or Franchisee materially impairs the goodwill associated with the Licensed Marks, and/or Franchisee applies for registration of the Licensed Marks anywhere in the world; and/or

(r) Franchisee and/or an Owner fails to comply with Anti-Terrorism Laws or becomes listed on the Annex to Executive Order 13244.

(3) **Defaults and Automatic Termination After 10 Day Cure Period** – Franchisee shall be in default of this Agreement and, this Agreement shall be terminated, upon the occurrence of any one or more of the following actions, inactions, omissions, events, and/or circumstances, unless, Franchisee timely cures, to the satisfaction of Franchisor, such default/action, inaction, omission, event, and/or circumstance within 10 calendar days of Franchisor’s written notice:

(a) Franchisee fails, refuses, and/or is unable to timely pay and/or satisfy the Royalty Fee, Advertising Contribution, and/or any other payment, fee, financial obligation, charge, and/or monetary obligation payable and/or due to Franchisor pursuant to the terms of this Agreement, under this Agreement, and/or any other agreement between Franchisor and Franchisee;

(b) Franchisee and/or Franchisee’s affiliate fails, refuses, and/or is unable to pay and/or satisfy any payment, fee, financial obligation, charge, and/or monetary obligation payable to Franchisor and/or Franchisor’s affiliates pursuant to this Agreement and/or any other agreement between or among Franchisor, Franchisor’s affiliate, Franchisee and/or Franchisee’s affiliate; and/or

(c) Franchisee fails or refuses, at any time, and, without legal justification as may be determined by Franchisor in Franchisor’s Reasonable Business Judgment, to pay any third party supplier or vendor for any goods, products, supplies, equipment, materials and/or any other items used by, benefitting, and/or intended to benefit the Franchised Business.

The foregoing events of default set forth in this Article 16.A.(3) shall exclude events of default that are otherwise governed by and/or constitute events of default under Article 16.A.(1) or Article 16.A.(2). In the event of any inconsistency or conflict between the provisions of this Article 16.A.(3) with Article 16.A.(1), Article 16.A.(1) shall take precedence and govern. In the event of any inconsistency or conflict between the provisions of this Article 16.A.(3) with Article 16.A.(2), Article 16.A.(2) shall take precedence and govern.

(4) **Defaults and Automatic Termination After 30 Day Cure Period** – Franchisee shall be in default of this Agreement and, this Agreement shall be terminated, upon the occurrence of any one or more of the following actions, inactions, omissions, events, and/or circumstances, unless, Franchisee timely cures, to the satisfaction of Franchisor, such default/action, inaction, omission, event, and/or circumstance within 30 calendar days of Franchisor’s written notice:

- (a) Franchisee fails or refuses to comply with and/or breaches any term, condition, provision, and/or requirement of this Agreement that is not otherwise a default under Articles 16.A.(1), 16.A.(2), or 16.A.(3) of this Agreement;
- (b) Franchisee fails or refuses to comply with and/or breaches any term, condition, provision, and/or requirement of any agreement, other than this Agreement, between Franchisor and Franchisee, and/or an affiliate of Franchisor and Franchisee;
- (c) Franchisee fails or refuses, in accordance with the terms of this Agreement, to obtain and secure a signed lease agreement or fee simple ownership interest in an approved location for Franchisee's non-residential Administrative Office;
- (d) Franchisee fails or refuses to develop and open the Franchised Business on or before the Scheduled Opening Date, in compliance with the terms of this Agreement, as designated or specified in the Operations Manual, and/or in accordance with Franchisor's standards and specifications as communicated to Franchisee from time to time;
- (e) Franchisee fails or refuses, at any time, to manage, maintain, and/or operate the Franchised Business in compliance with the terms of this Agreement, as designated or specified in the Operations Manual, and/or in accordance with Franchisor's standards, specifications, and requirements as communicated to Franchisee from time to time;
- (f) Franchisee fails or refuses, at any time, to develop, manage, maintain, and/or operate the Franchised Business in compliance with all applicable federal, state, and local laws, rules, regulations, ordinances, permits, and codes;
- (g) At any time, an inspection and/or evaluation of the operations of the Franchised Business – whether by mystery shopper programs, third party inspection services, or as otherwise designated by Franchisor, and, whether or not such inspections are on notice or secret – Franchisor, in Franchisor's Reasonable Business Judgment, determines that the operations of the Franchised Business do not meet or are in violation of the operational standards and requirements set forth in this Agreement, the Operations Manual, and/or as communicated to Franchisee from time to time;
- (h) Franchisee fails or refuses to timely submit to Franchisor records, reports, stored media, recordings, financial statements, books, accounts, statements, data, documentation and/or other information as required by this Agreement, as set forth in the Operations Manual, and/or as requested by Franchisor;
- (i) If any inspection or review of Franchisee's records, reports, books, accounts, statements, data, documentation and/or other information discloses, within any week, month, or Accounting Period selected by Franchisor, the underreporting of Franchisee's Gross Revenue, and/or any other metrics or data, resulting in the underpayment, by 5% or more, of the obligations, payments, and/or fees due by Franchisee to Franchisor under the terms of this Agreement;
- (j) Franchisee fails or refuses, at any time, to maintain the required insurance policies and insurance coverage required for the Franchised Business as set forth in this Agreement, and/or in the Operations Manual; and/or

(k) Franchisee fails to timely satisfy and pay all vendors, suppliers and/or contractors in connection with the development, construction, and/or establishment of the Franchised Business.

(l) Franchisee fails to respond to a written communication from Franchisor within 15 days after Franchisor sends the communication to Franchisee.

The foregoing events of default set forth in this Article 16.A.(4) shall exclude events of default that are otherwise governed by and/or constitute events of default under Article 16.A.(1) or Article 16.A.(2). In the event of any inconsistency or conflict between the provisions of this Article 16.A.(4) with Article 16.A.(1), Article 16.A.(1) shall take precedence and govern. In the event of any inconsistency or conflict between the provisions of this Article 16.A.(4) with Article 16.A.(2), Article 16.A.(2) shall take precedence and govern.

### **16.B. TERMINATION BY FRANCHISEE**

If Franchisee, each Owner and Spouse (as applicable) are in full compliance with each and every term and provision of this Agreement, any amendment or successor agreement, and any of the Ancillary Agreements, and Franchisor materially breaches Franchisor's substantive and material obligations set forth in this Agreement, Franchisee may terminate this Agreement in the event of the following:

(1) Franchisor does not correct the material breach within 30 days after Franchisor's receipt of Franchisee's written notice of such material breach to Franchisor; or

(2) In a case where Franchisor's material breach cannot reasonably be cured within 30 days, within 30 days of Franchisor's receipt of Franchisee's written notice of Franchisor's material breach, Franchisor shall be provided a reasonable time period to cure such material breach provided that Franchisor provides reasonable evidence to Franchisee of Franchisor's current, continuing and/or planned efforts to correct the material breach within a reasonable time.

In either case, Franchisee's termination of this Agreement shall not take effect until expiration of the 30 day period set forth above and or such reasonable time period as necessary to cure the material breach, and Franchisee delivers to Franchisor a separate written notice of termination. The termination date must be 10 days after Franchisor's receipt of Franchisee's notice of termination. Franchisee's termination of this Agreement for any reason other than as set forth in and in compliance with this Article 16.B. shall not constitute the termination of this Agreement and shall constitute a material breach of this Agreement by Franchisee.

### **16.C. FRANCHISOR'S ADDITIONAL RIGHTS, REMEDIES, AND DAMAGES**

Franchisee agrees that Article 16.A. sets forth actions, inactions, omissions, events, and/or circumstances that, among other things, constitute, in each and every instance and subject to any applicable cure period, if any, a default of this Agreement permitting Franchisor to, among other things, terminate this Agreement and/or resulting in the automatic termination of this Agreement. The grounds constituting a default under Article 16.A. are in addition to any and all other grounds for default as may be otherwise set forth in the Franchise Agreement. In the event of an event of default of this Agreement by Franchisee under Article 16.A., or as otherwise set forth in this Agreement, Franchisee agrees that termination of this Agreement is not the sole or exclusive remedy of Franchisor and that Franchisor's right or remedy of termination shall be in addition to any and all other rights set forth in this Agreement, and as otherwise available to Franchisor in law or equity.

Without limitation to the foregoing, additionally, in the event of the termination of this Agreement as a result of a default or breach by Franchisee and/or, by Franchisee's Owners and/or affiliates of any Ancillary Agreements, Franchisor, in addition to any and all other rights and remedies available to Franchisor as set forth in this Agreement, and, at law and in equity, shall possess the following rights and remedies, each of which are not exclusive of the other and may be/are in conjunction with one another:

(1) To void and terminate this Agreement, and thereafter to market, sell, transfer, convey and assign the rights granted to Franchisee under this Agreement to any other person or entity in Franchisor's sole discretion and without compensation to Franchisee.

(2) To hold Franchisee and Franchisee's Owners liable for, and recover from each of them, jointly and severally, all payments, fees, monetary obligations, financial obligations, interest, and charges due and owing to Franchisor from Franchisee pursuant to this Agreement, the Ancillary Agreements, and/or any other agreements between Franchisee and Franchisor, including, without limitation, Royalty Fees and Advertising Contributions with each and every payment and obligation to be accelerated and due immediately.

(3) To hold Franchisee and Franchisee's Owners liable for, and recover from each of them, jointly and severally, lost revenues, profits, and fees including, but not limited to Royalty Fees, Brand Development Fund Fee, Advertising Contributions, and all other fees, revenues and/or expenses that would have been paid to Franchisor, under the terms of this Agreement and throughout the Term of this Agreement, had a breach not occurred and had Franchisor not terminated this Agreement. In calculating and determining the foregoing, Franchisee agrees that in calculating and in determining such damages that it is fair and reasonable to use Franchisee's most recent calendar year Gross Revenue in calculating and determining Franchisor lost revenues and fees and by assuming that such Gross Revenue would have been earned in each and every year throughout the remainder of the Term had this Agreement not been terminated. If, however, the Franchised Business has been open and in operation for less than one calendar year, Franchisee agrees that it is fair and reasonable to use an average of Surv Business Gross Revenue across the System during the year in which this Agreement was terminated and to use such average Gross Revenue for the purpose of calculating and determining Franchisor lost revenues and fees and, in doing so, by assuming that such Gross Revenue would have been earned in each and every year throughout the remainder of the Term had this Agreement not been terminated. Franchisee agrees that the foregoing is a form of liquidated damages, and that it is fair and reasonable.

(4) To hold Franchisee and Franchisee's Owners liable for all costs, fees, expenses, and/or damages incurred by Franchisor and/or suffered by Franchisor as a result of a breach or termination including, but not limited to, the recovery of reasonable attorney fees and expenses including court costs, arbitration fees, mediation fees, arbitrator fees, mediator fees, depositions and other related expenses.

(5) To enjoin, restrain, and otherwise prohibit Franchisee from operating the Franchised Business or exercising any rights granted to Franchisee under this Agreement pursuant to a court order restraining order, injunction or other means.

(6) Declaratory judgment that this Agreement and all rights granted to Franchisee under this Agreement are terminated, null and void.

(7) All other remedies and/or rights available to Franchisor as otherwise set forth in the Agreement and/or as may be otherwise available by law or equity.

In the event of a breach or default of this Agreement, should Franchisor elect, at Franchisor's sole discretion, to not terminate this Agreement, such action shall be without prejudice and without waiver of Franchisor's rights in the future. Further, at all times, and without prejudice to Franchisor's right to declare a default and, among other things, terminate this Agreement, Franchisor may: (i) temporarily or permanently suspend any existing credit arrangements or accommodations previously extended to Franchisee and/or refrain from offering or making available to Franchisee any credit arrangements or accommodations that may be offered or made available to other System franchisees; (ii) modify payment terms for approved products, supplies, or other merchandise purchased by Franchisee which may include, without limitation, requiring cash on delivery; (iii) disqualify Franchisee from being eligible for, or from participating in, special promotion programs, rebates, and/or rebate sharing that may be offered or made available to other System franchisees; and/or (iv) refrain from providing or making available to Franchisee promotional materials or other materials developed by the Brand Development Fund and/or Advertising Cooperative.

If Franchisor does not pursue termination of this Agreement in the event of a default or breach by Franchisee, and/or Franchisor accepts any royalties, payments, contributions, funds, or other monetary sums from Franchisee, such actions do not constitute a waiver or acceptance of Franchisee's default or breach, and Franchisor reserves the right to pursue any and all additional remedies set forth in this Agreement, at law, or in equity. Franchisor's rights and remedies are cumulative, and no exercise or enforcement by Franchisor of any such right or remedy precludes the exercise or enforcement by Franchisor of any other right or remedy which Franchisor is entitled by law to enforce.

#### **16.D. GUARANTY**

The payment of all payments, amounts, fees, charges and other financial obligations payable by Franchisee to Franchisor pursuant to this Agreement, and Franchisee's observance and performance of all terms and conditions of this Agreement, are guaranteed pursuant to The Franchise Owner and Spouse Agreement and Guaranty attached to this Agreement as Exhibit 1.

#### **16.E. NOTICE OF LEGAL PROCEEDINGS AGAINST FRANCHISOR**

Franchisee shall give Franchisor advance written notice of Franchisee's intent to commence or otherwise institute any legal action or proceeding against Franchisor, specifying the basis for such proposed action, and Franchisee shall grant Franchisor 30 days from receipt of said notice to cure the alleged act upon which such legal action is to be based (hereinafter, the "30 Day Cure Notice"). Franchisee agrees that the 30 Day Cure Notice is a strict condition precedent to Franchisee commencing, or otherwise instituting, legal action or proceeding against Franchisor for any reason whatsoever.

### **ARTICLE 17** **OBLIGATIONS UPON TERMINATION OR EXPIRATION**

#### **17.A. PAYMENT OF AMOUNTS OWED TO FRANCHISOR**

Without limitation as to any other Article or provision of this Agreement, upon expiration or termination of this Agreement for any reason, Franchisee shall immediately pay to Franchisor all sums and fees due from Franchisee to Franchisor under the terms of this Agreement including, but not limited to Royalty Fees and Advertising Contributions and all other sums and fees due from Franchisee to Franchisor and/or Franchisor affiliates and/or suppliers for products and services including, but not limited to, System Supplies.

#### **17.B. CEASE OPERATIONS AND PROTECTION OF THE SYSTEM**

Upon expiration, termination, or Transfer of this Agreement for any reason, Franchisee shall immediately:

- (1) Permanently cease to be a franchise owner of the Surv Business that was the subject of this Agreement and cease to operate such Surv Business under the System;

(2) Refrain from directly or indirectly, holding oneself/itself out to any person or entity, or represent themselves/itself as a present or former Surv franchisee;

(3) Permanently cease to use, in any manner: (a) the System including, without limitation, the Confidential Information, the Licensed Marks, the Business Management System Data, and the Operations Manual; (b) any methods, procedures, or techniques associated with the System in which Franchisor possesses proprietary rights or that constitute Franchisor's trade secrets; (c) System Supplies, including communicating with or ordering products from Franchisor's designated suppliers and vendors of System Supplies; (d) the Approved Services and Products; and (e) any other advertising, marketing, media, and any other information, documents or things associated with Franchisor, the System, the Licensed Marks, Surv Businesses, the Franchised Business, and Franchisee's former Surv Business, including, without limitation, any confidential, proprietary methods, procedures, descriptions of products, techniques, trade secrets, proprietary marks, distinctive forms, slogans, symbols, signs, stationary, advertising material, articles, logos, devices, items and all other things, tangible or intangible, associated with Franchisor, the System, the Licensed Marks, and Surv Businesses;

(4) Return to Franchisor the Operations Manual (including any and all parts, supplements, and copies of the Operations Manual), the Confidential Information (including without limitation the Business Management System Data and all customer lists and information), and all other confidential materials, equipment, software, information, and property owned by Franchisor and all copies thereof provided, however, that Franchisee may retain Franchisee's copies of this Agreement, correspondence between Franchisor and Franchisee, but not including Confidential Information that may be contained in or attached thereto, and other documents that Franchisee needs to retain pursuant to applicable law;

(5) Permanently cease accessing, immediately disconnect from, and discontinue using any and all digital media, intra-nets, cloud based systems, and/or servers that store, maintain, and/or provide access to the Operations Manual, Confidential Information, and all other standards, specifications of Franchisor;

(6) Immediately notify Franchisor, in writing, of any and all locations where Franchisee may have maintained and/or stored digital files and/or media containing all or parts of the Operations Manual, any Confidential Information, and all other standards and specifications of Franchisor, immediately turn over such digital files and media to Franchisor, and follow Franchisor's instructions as to the destruction of such digital files and media;

(7) (a) modify and alter Franchisee's former Surv Business, Franchisee's former Surv Administrative Office, and Franchisee's Administrative Office, as reasonably necessary or otherwise required by Franchisor, to ensure that Franchisee's Administrative Office has been completely de-identified and differentiated from its former appearance to prevent any confusion by the public as to the continued existence of a Surv Business at your Administrative Office; (b) remove from Franchisee's Administrative Office all distinctive physical and structural features identifying a Surv Business and all distinctive signs, trade dress and emblems associated with the System including, without limitation, signs, trade dress, and emblems bearing the Licensed Marks; and (c) make specific additional changes to Franchisee's Administrative Office as Franchisor reasonably requests for the purpose of completely de-identifying Franchisee's former Surv Business. Franchisee shall immediately initiate the foregoing actions and complete such actions within the period of time designated by Franchisor, and Franchisee agrees that Franchisor and/or Franchisor's designated agents may enter the premises of Franchisee's Administrative Office at any time to make foregoing alterations at Franchisee's sole risk and expense. Franchisee agrees

that Franchisee's failure to timely make modifications and alterations to Franchisee's Administrative Office will cause irreparable injury to Franchisor, and Franchisee consents to the entry, at Franchisee's expense, of any ex-parte order by any court of competent jurisdiction authorizing Franchisor or its agents to take action, if Franchisor seeks such an order;

(8) Take all actions necessary and/or reasonably required to cancel all fictitious or assumed names or equivalent registrations relating to the Licensed Marks;

(9) At no cost to Franchisor, take such action as may be determined by Franchisor to: (a) provide and assign to Franchisor the Business Management System, the Business Management System Data, and all customer lists, customer information, and customer data; and (b) transfer, disconnect, and/or otherwise assign, as directed by Franchisor, all telephone numbers, email addresses, yellow pages telephone directories, telephone directory type listings, Web Based Media listings, accounts and log-in information used in connection with Franchisee's former Surv Business and/or otherwise associated with the System and/or the Licensed Marks, cancel Franchisee's interests in same as such cancellation may be directed by Franchisor, and effectuate, perform, honor, and comply with Franchisee's obligations under the Assignment of Telephone Numbers and Digital Media Accounts attached to this Agreement as Exhibit 3;

(10) Abide by, and comply with, the restrictive covenants and obligations set forth in this Agreement, including, without limitation, the restrictive covenants and obligations set forth in Article 6 of this Agreement; and

(11) Provide Franchisor, within 30 days of the expiration, termination, or Transfer of this Agreement, with written proof demonstrating that Franchisee has complied with the terms of this Article 17 and all other obligations under this Agreement that Franchisee must perform, abide by, and comply with, subsequent to the termination, expiration, or Transfer of this Agreement.

#### **17.C. CONTINUING OBLIGATIONS**

All obligations under this Agreement that expressly, or by their nature, survive, or are intended to survive, the expiration, termination, or Transfer of this Agreement shall continue in full force and effect subsequent to, and notwithstanding, this Agreement's termination, expiration, or Transfer until such obligations are satisfied in full or, by the nature and/or terms, such obligation(s) expire.

Franchisee agrees that in the event of a Transfer of this Agreement by Franchisee, whether or not such Transfer is authorized by Franchisor or made in violation of this Agreement, Franchisee shall not be relieved of Franchisee's obligations under this Agreement and no Owner or Spouse shall be relieved of their respective guarantees, agreements, and obligations related to, or associated with, this Agreement, including, without limitation, the guarantees, agreements, and obligations set forth in the Franchise Owner and Spouse Agreement and Guaranty attached to this Agreement as Exhibit 1. The immediately foregoing shall not be interpreted or otherwise construed as constituting consent to any Transfer of this Agreement without the express written consent by Franchisor and Franchisee's compliance with this Agreement respecting any such Transfer.

### **ARTICLE 18** **ENFORCEMENT AND CONSTRUCTION**

#### **18.A. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS**

(1) Except as expressly provided to the contrary in this Agreement, each and every term and provision of this Agreement shall be interpreted or otherwise construed to be independent of each

other and severable. Although each term and provision of this Agreement are considered by the parties to be reasonable and intended to be enforceable, if any such term or provision of this Agreement is found by a court of competent jurisdiction, agency, or other government agency to be unenforceable as written or otherwise, then such term and condition shall be modified, rewritten, interpreted, or “blue-lined” to include as much of its nature and scope as will render it enforceable. If such term and condition cannot be so modified, rewritten, interpreted, or “blue-lined” in any respect, then it will not be given effect and severed from this Agreement, and the remainder of this Agreement shall be interpreted, construed and enforced as if such term and condition was not included in this Agreement.

(2) If any applicable and binding law or rule requires a greater prior notice of the termination of this Agreement than is required in this Agreement, or the taking of some other action not required by this Agreement, or if under any applicable and binding law or rule, any term and condition of this Agreement, or any specification, standard, or operating procedure Franchisor prescribes is invalid or unenforceable, then the greater prior notice and/or other action required by law or rule shall be substituted for the comparable provisions, and Franchisor has the right, in its sole discretion, to modify the invalid or unenforceable term and condition, specification, standard, or operating procedure to the extent required to be valid and enforceable. Franchisee agrees to be bound by any such substituted and/or modified term and condition of this Agreement imposing the maximum duty permitted by law that is prescribed within the terms of any provision of this Agreement as though it were originally and separately articulated in, and made a part of, this Agreement as of the Effective Date and/or any specification, standard or operating procedure Franchisor prescribes, which may result from striking from any terms and conditions, specifications, standards, or operating procedures, and any portion or portions thereof, a court may hold to be unenforceable or from reducing the scope of any promise or covenant to the extent required to comply with a court order. Modifications to this Agreement shall be effective only in those jurisdictions in which such terms and conditions, specifications, standards, or operating procedures are found to be unenforceable, unless Franchisor elects to give them greater applicability, in which case, this Agreement shall be enforced as originally made in all other jurisdictions.

#### **18.B. WAIVER OF OBLIGATIONS**

No delay, waiver, omission, or forbearance on the part of Franchisor to enforce any term and condition of this Agreement or exercise any of Franchisor’s rights, options, or powers under this Agreement constitutes a waiver by Franchisor to enforce any other term and condition of this Agreement or exercise any of Franchisor’s other rights, options, or powers under this Agreement. No such delay, waiver, omission, or forbearance shall constitute a waiver by Franchisor to subsequently enforce such term and condition of this Agreement or subsequently exercise such right, option, or power. Acceptance by Franchisor of any payments, fees, charges, or other amount from Franchisee payable to Franchisor pursuant to this Agreement shall not constitute a waiver or acceptance of Franchisee’s default or breach of this Agreement or otherwise a waiver of any term and condition of this Agreement, and Franchisor reserves the right to pursue any and all additional remedies set forth in this Agreement, at law, or in equity. Franchisor shall likewise not be deemed to have waived or impaired any term and condition, right, option or power set forth in this Agreement by virtue of any custom or practice of the parties at variance with the terms and conditions of this Agreement or Franchisor’s insistence upon Franchisee’s strict compliance with Franchisee’s obligations, including any mandatory specification, standard or operating procedure. No waiver by Franchisor of any term and condition of this Agreement shall be valid unless in writing and signed by Franchisor.

### **18.C. FORCE MAJEURE**

If either Franchisor or Franchisee is delayed in performing any obligation under this Agreement by any cause reasonably beyond its control when such cause would affect any person or entity similarly situated, including, without limitation, war, civil disorder, catastrophic weather, power outage, acts of God and/or labor strikes unassociated with Franchisee or Franchisor (collectively, "Force Majeure"), then the time period for performing such obligation shall be extended by a period of time equal to the period of delay. Notwithstanding the immediately foregoing sentence, any delay resulting from Force Majeure shall not excuse Franchisee's payment of any fee, charge, amount, and/or any other monetary or financial obligation to Franchisor under this Agreement, including, without limitation, the payment of the Royalty Fee and Advertising Contributions, and the non-performance of any obligation under this Agreement due to Force Majeure shall not be extended or otherwise excused for more than six months.

### **18.D. SPECIFIC PERFORMANCE AND INJUNCTIVE RELIEF**

Nothing in this Agreement bars Franchisor's right to obtain specific performance of the provisions of this Agreement and injunctive relief under legal and/or equity rules against threatened conduct that will cause damages or loss to it, the Licensed Marks or the System. Without limitation to the rights set forth in Article 6 of this Agreement, Franchisee agrees that Franchisor may obtain such injunctive relief. Franchisee agrees that Franchisor will not be required to post a bond (other than as set forth in Article 6.G. of this Agreement) to obtain injunctive relief and that Franchisee's only remedy if an injunction is entered against Franchisee will be the dissolution of that injunction, if warranted, upon a hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). The remedies available to Franchisor under Article 6.G. are not exclusive of one another and may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages. Without limitation to the foregoing Franchisee agrees that in the event of a breach of this Agreement by Franchisee respecting and/or concerning the System and/or the Licensed Marks shall cause irreparable harm to Franchisor, the System and the Licensed Marks. The foregoing shall not be interpreted to invalidate the mediation and arbitration requirements set forth in Article 18.G. of this Agreement and shall be consistent with same.

### **18.E. RIGHTS OF PARTIES ARE CUMULATIVE**

The rights under this Agreement are cumulative and no exercise or enforcement by a party of any right or remedy precludes the exercise or enforcement by that party of any other right or remedy which Franchisor or Franchisee is entitled by law to enforce.

### **18.F. GOVERNING LAW**

EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. §§ 1051 ET SEQ.) OR OTHER FEDERAL LAW, THIS AGREEMENT AND THE RELATIONSHIP BETWEEN THE PARTIES HERETO SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF OHIO, EXCEPT THAT ITS CHOICE OF LAW AND CONFLICTS OF LAWS RULES SHALL NOT APPLY AND ANY FRANCHISE REGISTRATION, DISCLOSURE, RELATIONSHIP, BUSINESS OPPORTUNITY OR SIMILAR STATUTE WHICH MAY BE ADOPTED BY THE STATE OF OHIO SHALL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS PARAGRAPH.

### **18.G. NON-BINDING MEDIATION AND BINDING ARBITRATION**

- (1) **Non-Binding Mediation** – All disputes or claims between Franchisor and Franchisee or its owners arising out of, or in any way relating to this Agreement or any other agreement by and between Franchisor and Franchisee or its owners must be submitted to mediation before being submitted to arbitration or litigation. The mediation will take place in Cincinnati, Ohio under the

auspices of the American Arbitration Association (“AAA”), in accordance with AAA’s commercial mediation rules then in effect. Before commencing any legal action against Franchisor or its affiliates with respect to any such claim or dispute, Franchisee must submit a notice to Franchisor stating, in detail, the precise nature and grounds of such claim or dispute. Franchisor will have a period of 30 days following receipt of such notice within which to notify Franchisee as to whether Franchisor or its affiliates elects to exercise its option to submit such claim or dispute to mediation. Franchisee may not commence any arbitration or litigation against Franchisor or its affiliates with respect to any such claim or dispute unless Franchisor fails to exercise its option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by Franchisor. Franchisor’s right to mediation, as set forth herein, may be specifically enforced by Franchisor. Each party shall bear its own cost of mediation and Franchisor and Franchisee shall share mediation costs equally. This agreement to mediate shall survive any termination or expiration of this Agreement. The parties shall not be required to first attempt to resolve a dispute or claim through mediation as set forth in this Article 18.G if such dispute or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating): (i) any federally protected intellectual property rights in the Marks or the System, or (ii) any of the confidentiality requirements or any of the restrictive covenants contained in this Agreement. This agreement to mediate shall survive any termination or expiration of this Agreement. The parties agree that mediation is a compromise negotiation for the purposes of the federal and state rules of evidence, and the entire mediation process shall be confidential.

(2) **Arbitration** – All disputes or claims relating to this Agreement or any other agreement entered into between the parties, the rights and obligations of the parties, or any other claims or causes of action relating to the making, interpretation, or performance of either party under this Agreement or any other agreement, which have not first been settled through mediation as set forth above, shall be resolved by binding arbitration in Cincinnati, Ohio before the AAA in accordance with the Federal Arbitration Act, the Commercial Arbitration Rules of the AAA, as amended, and for any appeal, the AAA Appellate Arbitration Rules or such successor rules then in effect, except that there shall be no consolidated, common, or class action arbitration and Franchisee and its owners waive any and all rights to proceed on a consolidated, common, or class action basis, or to seek joinder of any of its claims with those of any other party. The following shall supplement the rules of the AAA and, in the event of a conflict, shall govern any arbitration: If the claim is for less than \$30,000, then the matter shall be heard before a single arbitrator selected from the AAA list of arbitrators. If the claim, or a counterclaim, is for \$30,000 or more, the matter shall be heard before a panel of three (3) arbitrators and each party shall appoint its own arbitrator, and the appointed arbitrators shall appoint a third arbitrator who shall be the chair of the arbitration panel and must be a retired federal court or state court judge. The parties agree to be bound to a cap on damages of \$250,000. The parties agree to be bound by the award, and each party must bear its own costs of arbitration including the fee for its respective arbitrator; provided, however, that the single or third arbitrator’s fee shall be shared equally by the parties. The arbitration proceedings and arbitration award shall be maintained by the parties as strictly confidential, except as is otherwise required by law or court order or as is necessary to confirm, vacate or enforce the award and for disclosure in confidence to the parties’ respective attorneys and tax advisors. The arbitrators shall have no authority to determine class action claims and shall have no authority to amend or modify the terms of the Agreement. No issue of fact or law determined in the arbitration shall be given preclusive or collateral estoppel effect in any other arbitration, except to the extent such issue arises in another proceeding between the parties. Judgment upon the award of the arbitrator shall be submitted for confirmation to the federal district court for the Southern District of Ohio, or the Common Pleas Court of Hamilton County, Ohio and, if confirmed, may be subsequently entered

in any court having competent jurisdiction. The parties shall not be required to arbitrate a dispute or claim as set forth in this Section 15.2 if such dispute or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating): (i) any federally protected intellectual property rights in the Marks or in the System or (ii) any of the confidentiality requirements or any restrictive covenants contained in this Agreement. This agreement to arbitrate shall survive any termination or expiration of this Agreement.

(3) **Injunctive Relief**: Notwithstanding any other provision of this Agreement, either party shall have the right to apply at any time to a court of competent jurisdiction for preliminary or temporary injunctive relief. In addition, Franchisor will be threatened with irreparable harm, and injunctive relief shall be entered without the necessity of a bond, in the event of any breach or violation or threatened breach or violation of any provision of this Agreement relating to (a) Franchisee's use of the Marks; (b) Franchisee's establishment of any Franchisor Business except pursuant to a Franchise Agreement therefor; (c) the obligations of Franchisee upon termination or expiration of this Agreement; (d) an assignment of this Agreement or the franchise granted hereunder or any ownership interest therein; (e) a violation of any applicable law, ordinance or regulations; or (f) any conduct by Franchisee or its owners that is dishonest or misleading to Franchisor, Franchisor's other franchisees, or the general public.

(4) **Consent to Jurisdiction and Venue** – Subject to the non-binding mediation and arbitration provisions set forth in this Article 18.G., Franchisor and Franchisee agree that any litigation to enforce or relating to this Agreement or the relationship of the parties established hereunder shall be filed in the federal district court or a state court of general jurisdiction in Hamilton County, Ohio, and Franchisor and Franchisee hereby consent to the jurisdiction of and venue in such courts. Without limitation to the foregoing and notwithstanding same, Franchisor and Franchisee agree that Franchisor, at Franchisor's election, may bring any legal action or proceeding seeking a temporary restraining order, preliminary injunction, or any action seeking Franchisor's enforcement of an arbitration award or any judicial decision in the federal or state court located in the county and state where either the Franchised Business was located or where Franchisee resides.

#### **18.H. VARIANCES AND DIFFERENT FORMS OF AGREEMENT**

FRANCHISEE AGREES THAT FRANCHISOR HAS AND MAY AT DIFFERENT TIMES, IN FRANCHISOR'S ABSOLUTE AND SOLE DISCRETION, APPROVE EXCEPTIONS OR CHANGES FROM THE UNIFORM STANDARDS OF THE SYSTEM, WHICH FRANCHISOR DEEMS DESIRABLE OR NECESSARY UNDER PARTICULAR CIRCUMSTANCES. FRANCHISEE AGREES THAT FRANCHISEE HAS NO RIGHT TO OBJECT TO OR OBTAIN SUCH VARIANCES.

FRANCHISEE AGREES THAT EXISTING AND FUTURE FRANCHISEES MAY OPERATE UNDER DIFFERENT FORMS OF AGREEMENTS AND THAT THE RIGHTS AND OBLIGATIONS OF EXISTING FRANCHISEES AND FUTURE FRANCHISEES MAY DIFFER MATERIALLY FROM THIS AGREEMENT.

#### **18.I. LIMITATIONS OF CLAIMS**

EXCEPT FOR CLAIMS BROUGHT BY FRANCHISOR WITH REGARD TO FRANCHISEE'S OBLIGATIONS TO MAKE PAYMENTS TO FRANCHISOR PURSUANT TO THIS AGREEMENT, FRANCHISOR'S ENFORCEMENT OF THE RESTRICTIVE COVENANTS SET FORTH IN ARTICLE 6 OF THIS AGREEMENT, AND FRANCHISEE'S OBLIGATION TO INDEMNIFY FRANCHISOR IN ACCORDANCE WITH THIS AGREEMENT, ANY AND ALL CLAIMS AND/OR CAUSES OF ACTION ARISING OUT OF, OR RELATING TO, THIS AGREEMENT, OR THE RELATIONSHIP BETWEEN FRANCHISEE AND FRANCHISOR RESULTING FROM THIS

AGREEMENT, SHALL BE BARRED UNLESS SUCH CLAIM AND/OR CAUSE OF ACTION IS COMMENCED WITHIN TWO YEARS FROM THE DATE ON WHICH THE ACT OR EVENT GIVING RISE TO THE CLAIM OCCURRED OR ONE YEAR FROM THE DATE ON WHICH FRANCHISEE OR FRANCHISOR KNEW, OR SHOULD HAVE KNOWN, IN THE EXERCISE OF REASONABLE DILIGENCE, OF THE FACTS GIVING RISE TO SUCH CLAIM AND/OR CAUSE OF ACTION, WHICHEVER OCCURS FIRST IN TIME.

**18.J. WAIVER OF PUNITIVE DAMAGES**

FRANCHISOR AND FRANCHISEE HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, CONSEQUENTIAL OR SPECULATIVE DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM, EXCEPT AS OTHERWISE PROVIDED HEREIN, EACH SHALL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED BY IT, PROVIDED THAT SUCH WAIVER SHALL NOT APPLY TO ANY CLAIM: (A) ALLOWED BY FRANCHISOR OR FRANCHISEE FOR ATTORNEY'S FEES OR COSTS AND EXPENSES UNDER THIS AGREEMENT; AND/OR (B) FOR LOST PROFITS BY FRANCHISOR OR FRANCHISEE AND THE OWNERS UPON OR ARISING OUT OF THE TERMINATION OF THIS AGREEMENT. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, IF ANY OTHER TERM OF THIS AGREEMENT IS FOUND OR DETERMINED TO BE UNCONSCIONABLE OR UNENFORCEABLE FOR ANY REASON, THE FOREGOING PROVISIONS OF WAIVER BY AGREEMENT OF PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR OTHER SIMILAR DAMAGES SHALL CONTINUE IN FULL FORCE AND EFFECT.

**18.K. WAIVER OF JURY TRIAL**

FRANCHISOR AND FRANCHISEE IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER A LEGAL ACTION, IN MEDIATION, OR IN ARBITRATION.

**18.L. BINDING EFFECT**

This Agreement is binding upon the parties of this Agreement and their respective executors, administrators, heirs, assigns and successors in interest, and shall not be modified except by written agreement signed by both Franchisee and Franchisor.

**18.M. COMPLETE AGREEMENT**

This Agreement, the documents referred to in this Agreement and the Schedules and Exhibits to this Agreement, together with the Operations Manual, constitute the entire, full and complete Agreement between Franchisor and Franchisee concerning the subject matter of this Agreement and supersedes all prior related agreements between Franchisor and Franchisee. Nothing in this Agreement or any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document.

**18.N. ATTORNEY FEES AND EXPENSES**

Franchisee agrees that in the event that an arbitrator in any arbitration proceeding and/or, a court of competent jurisdiction shall issue an award, judgment, decision and/or order finding, holding and/or declaring Franchisee's breach of this Agreement than Franchisor shall also be entitled to the recovery of all reasonable attorney fees, costs and expenses associated with and/or related to such arbitration and/or litigation. Said fees, costs and expenses shall include, but not be limited to, attorney fees, arbitration fees, arbitrator fees, deposition expenses, expert witness fees and filing fees.

**18.O. NO CLASS ACTION OR MULTI-PARTY ACTIONS**

FRANCHISOR AND FRANCHISEE AGREE THAT ALL PROCEEDINGS AND/OR LEGAL ACTIONS ARISING OUT OF OR RELATED TO THIS AGREEMENT AND/OR THE OFFER AND SALE OF THE SURV BUSINESS FRANCHISE FROM FRANCHISOR TO FRANCHISEE, WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN FRANCHISEE, FRANCHISEE'S OWNERS, SPOUSES AND/OR GUARANTORS AND FRANCHISOR AND/OR FRANCHISOR'S AFFILIATES, OFFICERS, DIRECTORS AND/OR EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.

**18.P. ACCEPTANCE BY FRANCHISOR**

This Agreement will not be binding on Franchisor unless and until an authorized officer of Franchisor has signed it.

**18.Q. OPPORTUNITY FOR REVIEW BY FRANCHISEE'S ADVISORS**

Franchisor recommends that Franchisee have this Agreement and the Franchise Disclosure Document reviewed by Franchisee's lawyer, accountant, and other business advisors, prior to signing this Agreement.

**18.R. NO PERSONAL LIABILITY BY FRANCHISOR'S EMPLOYEES, OFFICERS AND/OR AUTHORIZED AGENTS**

Franchisee agrees that the fulfillment of any of Franchisor's obligations written in this Agreement or based on any oral communications ruled to be binding in a court of law shall be Franchisor's sole obligation and none of Franchisor's employees, officers and/or authorized agents shall be personally liable to Franchisee for any reason. In addition to the foregoing, Franchisor and Franchisee are not joint employers. The foregoing shall not be construed to imply that Franchisor and/or Franchisor's agents have made any oral promises as pursuant to Article 18.M. of this Agreement, this written Agreement represents the sole Agreement between Franchisor and Franchisee.

**18.S. NON-UNIFORM AGREEMENTS**

Franchisee agrees and acknowledges that Franchisor makes no representations or warranties that all other agreements with Surv Franchisor, LLC franchisees entered into before or after the Effective Date do or will contain terms substantially similar to those contained in this Agreement. Franchisee agrees that Franchisor may waive or modify comparable provisions of other Franchise Agreements to other System franchisees in a non-uniform manner.

**18.T. NO RIGHT TO OFFSET**

Franchisee shall not, on grounds of the alleged nonperformance, material breach, or default by Franchisor of this Agreement, any other agreement between Franchisor and Franchisee, or for any other reason, withhold any payment, fee, or any other amount payable by Franchisee to Franchisor pursuant to this Agreement, including, without limitation, the payment of Royalty Fees and Advertising Contributions, or any other payment obligation by Franchisee to Franchisor. Franchisee shall not have the right to offset or withhold any liquidated or unliquidated amount allegedly due to Franchisee from Franchisor against any payment, fee, or any other amount payable to Franchisor pursuant to this Agreement or any other payment obligation by Franchisee to Franchisor.

**18.U. HEADINGS**

The headings and subheadings in this Agreement are strictly for convenience and reference only, and they shall not limit, expand, or otherwise affect the interpretation or construction of the terms and conditions of this Agreement.

**18.V. AUTHORITY TO EXECUTE AND BIND**

Each party acknowledges, warrants and represents that it has all requisite power and authority to enter into this Agreement. The execution, delivery, and performance of this Agreement has been duly and lawfully authorized by all necessary actions of each party, and the signatory to this Agreement for each party has been duly and lawfully authorized to execute this Agreement for and on behalf of the party for whom each signatory has signed.

**18.W. COUNTERPARTS, ELECTRONIC SIGNATURES, AND MULTIPLE COPIES**

This Agreement may be executed electronically. This Agreement may be executed in counterparts, all of which counterparts shall be deemed originals and taken together shall constitute a single agreement. Executed electronic or print duplicates of this Agreement, if any, and their respective signatures shall be deemed originals.

**18.X. JOINT AND SEVERAL LIABILITY**

If Franchisee consists of more than one person or entity, then their liability under this Agreement shall be joint and several among each and every individual and/or Corporate Entity franchisee.

**18.Y. RECITALS**

The parties agree that the recitals and representations contained on the first page of this Agreement constitute a part of this Agreement and are hereby fully incorporated into the terms of this Agreement.

**ARTICLE 19**  
**NOTICES**

All written notices and reports permitted or required to be delivered by this Agreement shall be deemed so delivered, at the time delivered by hand, one business day after being placed in the hands of a national commercial courier service for overnight delivery (properly addressed and with tracking confirmation), or three business days after placed in the U.S. mail by registered or certified mail, postage prepaid, and addressed to the party to be notified at its most current principal business address of which the notifying party has been notified. Reports requiring delivery shall be delivered by certified U.S. mail and/or electronically, as designated by Franchisor. The addresses for the parties set forth in the initial paragraph of this Agreement shall be used unless and until a different address has been designated by written notice to the other party. Any notice required under this Agreement shall not be deemed effective or given by Franchisee to Franchisor unless given in strict compliance with this Agreement.

In all cases where Franchisor's prior approval is required and no other method or timing for obtaining such approval is prescribed, Franchisee shall request such approval in writing, and Franchisor shall respond within 10 business days after receiving Franchisee's written request and all supporting documentation, provided if Franchisor does not respond, such request shall be deemed unapproved. Franchisor's consent to, or approval of, any act or request by Franchisee shall be effective only to the extent specifically stated, and Franchisor's consent or approval shall not be deemed to waive, or render unnecessary, consent or approval of any other subsequent similar act or request.

**IN WITNESS WHEREOF**, the parties have executed, sealed and delivered this Agreement as of the Effective Date set forth in the first paragraph of this Agreement.

**Franchisor:**  
Surv Franchisor, LLC

**Franchisee:**

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

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name and Title (please print)

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Dated



FRANCHISE AGREEMENT  
**Schedule 1**  
 Operating Territory Acknowledgment

**Franchisee’s Operating Territory** – Franchisee’s “Operating Territory”, as such term is identified and defined in the Franchise Agreement, including, but not limited to, Article 1 of the Franchise Agreement, is identified, as follows:

[IF LEFT INCOMPLETE THE OPERATING TERRITORY SHALL BE DESIGNATED AND DETERMINED BY FRANCHISOR]

The foregoing Operating Territory has been determined based on negotiations initiated by Franchisee. To the extent that the foregoing description of the Operating Territory includes and/or delineates geographic or political boundaries such determinations will be considered fixed as of the Effective 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, if any, will be deemed to end at the street center lines unless otherwise specified above.

**Franchisor:**  
 Surv Franchisor, LLC

**Franchisee:**

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

\_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Name and Title (please print)

\_\_\_\_\_  
 Name (please print)

\_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Name (please print)



FRANCHISE AGREEMENT  
**Schedule 2**  
Statement of Franchisee's Owners

Franchisee represents that the following schedule is complete and accurately identifies Franchisee's Owners, Franchisee's Managing Owner, and their respective ownership interests in Franchisee. Defined terms shall have the meanings set forth in the Franchise Agreement between Franchisor and Franchisee.

Name of Individual or Entity: \_\_\_\_\_

Type of entity and State of organization (if applicable): \_\_\_\_\_

Principal address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Names and Addresses and Percentage of Ownership of all Shareholders or General Partners or Limited Liability Company Members \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Managing Owner \_\_\_\_\_

**Franchisor:**  
Surv Franchisor, LLC

**Franchisee:**

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

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name and Title (please print)

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (please print)



Franchise Agreement

**Exhibit 1**

Owner and Spouse Agreement and Guaranty



**OWNER AND SPOUSE AGREEMENT AND GUARANTY**

This Franchise Owner and Spouse Agreement and Individual Guaranty (the “Agreement”) is individually entered into by you as either an owner of \_\_\_\_\_ (hereinafter referred to as “**Franchisee**”), Franchisee, or the spouse of the owner of franchisee and is given and signed by you in favor of Surv Franchisor, LLC, franchisor of the Surv franchise system and in favor of Surv Franchisor LLC’s successors and assigns, upon the terms and conditions set forth in this Agreement. In this Agreement Surv Franchisor, LLC is referred to as “**us**”, “**our**” or “**we**”, and each individual that signs this Agreement is referred to as “**you**”.

**Recitals and Representations**

WHEREAS, Franchisee has entered into a Surv Franchise Agreement (the “Franchise Agreement”) for the development and operation of a Surv Business (the “Franchised Business” or “Surv Business”) that offers and provides assist homeowners with projects, including moving, decluttering, junk removal, painting, event organization, helping hands, cleaning, landscaping decorating, technology and related services and products(the “Approved Services and Products”) under the Licensed Marks (defined below);

WHEREAS, you represent that you have received and have thoroughly reviewed the completed Franchise Agreement, including schedules and exhibits attached to the Franchise Agreement;

WHEREAS, we have recommended that you thoroughly review the Franchise Agreement, this Agreement and all schedules and exhibits to the Franchise Agreement with a lawyer selected and hired by you;

WHEREAS, you represent to us that you are either: (a) an Owner of Franchisee such that you own or control a legal, equitable or beneficial ownership or equity interest in Franchisee and/or otherwise meet the definition of an “Owner” as set forth in this Agreement; and/or (b) the “Spouse” of an Owner of Franchisee;

WHEREAS, you acknowledge that this Agreement will apply to you individually, jointly and severally with all others who sign this Agreement (including if this Agreement is signed in counterparts or electronically among other Owners and Spouses);

WHEREAS, you acknowledge that this Agreement, among other things, personally obligates you to guarantee Franchisee’s obligations to us and obligates you to brand protection, confidentiality and non-competition restrictions and covenants and that you enter into this Agreement to induce us to enter into the Franchise Agreement with Franchisee; and

WHEREAS, you acknowledge that we are relying on this Agreement and that without this Agreement we would not have entered into and/or would not be simultaneously entering into the Franchise Agreement with Franchisee.

NOW THEREFORE, to induce us to enter into the Franchise Agreement and as consideration to us for entering into the Franchisee Agreement with Franchisee and other consideration, the receipt and sufficiency of which you acknowledge, you agree as follows:

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

## 1. **Recitals and Representations.**

You agree that the foregoing Recitals and Representations are true and accurate and constitute a material part of this Agreement and are hereby incorporated into the main body of this Agreement.

## 2. **Definitions.**

Supplementing the terms and definitions contained in the Recitals and Representations:

**“Administrative Office(s)”** means the fixed administrative offices and/or facilities from which Surv Businesses are established, operated and managed.

**“Approved Services and Products”** shall have the meaning defined in the Recitals and Representations section of this Agreement and shall further refer to and mean those products and services that we authorize for sale by Surv Businesses. We shall exclusively designate and determine the Approved Services and Products and we, in our Reasonable Business Judgment, may change, modify, reduce or supplement the Approved Services and Products that must be offered and sold by the Franchised Business and those products and services that may not be sold by the Franchised Business. The Franchised Business may only offer and sell the Approved Services and Products.

**“Business Management System”** means the software, internet, web based and/or cloud based system or systems, point of sale system or systems and customer relationship management system or systems as same may be individually or collectively designated by us, in our Reasonable Business Judgment, as being required for use by the Franchised Business, including, but not limited to, the day-to-day sales, ordering, operations and management of the Franchised Business. We reserve the right to modify and designate alternative Business Management Systems as we determine in our Reasonable Business Judgment. Without limitation to the foregoing, the Business Management System may include: (a) multiple point of sale systems installed and maintained on-site at the Administrative Office; (b) portable tablet and/or computer systems utilized on-site when providing services to customers of the Franchised Business; (c) web based, private server based, network based and/or cloud based customer ordering systems, processing systems, production systems and/or service delivery systems; and (d) customer membership and rewards systems.

**“Business Management System Data”** means the forms, data, tools, customer information, inventory and sales information that: (a) is pre-populated or entered into the Business Management System utilized by Franchisee; (b) is entered (whether by us or Franchisee) into the Business Management System utilized by Franchisee; and/or (c) is recorded, stored and/or maintained by the Business Management System in connection with the management and operations of the Franchised Business.

**“Competitive Business”** means any business that (i) is the same as or similar to a Surv Business; and/or (ii) offers, sells, and/or provides moving services, junk removal, Christmas light decorating, painting, event staffing, cleaning, handyman services, landscaping, and/or providing technology-related assistance to homeowners and individuals.

**“Confidential Information”** means all of our and/or our affiliates’ trade secrets, methods, standards, techniques, procedures, data and information, as same may exist as of the Effective Date of the Franchise Agreement and as same may be developed, modified and supplemented in the future, constituting and comprising: (a) methods, specifications, standards, policies, procedures, information, concepts, programs and systems relating to the development, establishment,

marketing, promotion and operation of Surv Businesses; (b) information concerning consumer preferences for services, products, materials and supplies used or sold by, and specifications for and knowledge of suppliers of certain materials, equipment, products, supplies and procedures used or sold by Surv Businesses; (c) information concerning customers, customer lists, email lists, database lists, product sales, operating results, financial performance and other financial data of Surv Businesses; (d) customer lists and information related to Surv Businesses and the Franchised Business; (e) Business Management System Data; (f) current and future information contained in the Operations Manual; and (g) Know-How.

**“Copyrights”** means all works and materials for which we or any affiliate of ours has secured common law or registered copyright protection and we utilize and/or allow Surv Business franchisees to use, sell or display in connection with the development, marketing and/or operation of a Surv Business, whether as of the Effective Date or any time in the future.

**“Corporate Entity”** means a corporation, limited liability company, partnership or other corporate legal entity that is not an individual person.

**“Digital Media”** means any interactive or static digital document, listing, directory, application, advertisement, link, metadata, or media that is transmitted within a closed or private network, or that is connected to, in communication with, and/or networked with computers, applications, or other devices linked by communications systems, data systems, a part of the world wide web including, traditional websites, web based applications, distributed databases, including, blockchain, software applications, smart phone applications, or social media platforms such as Facebook, LinkedIn, Twitter / X, Pinterest, Instagram, SnapChat, TikTok, and YouTube, that refers, references, identifies, reviews, promotes and/or relates, in any way, to, a , Surv Business, the Franchised Business, the Licensed Marks, the System and/or us. Digital Media includes the System Website, and all other media and/or publications relating to the System that is displayed and/or transmitted digitally.

**“Effective Date”** means the “Effective Date” of the Franchise Agreement as the term “Effective Date” is set forth and defined in the Franchise Agreement. If, for any reason, the Effective Date cannot be determined by reference to the Franchise Agreement, the Effective Date shall be the date that you sign this Agreement.

**“Franchised Business”** means the Surv Business to be developed, owned and operated by Franchisee pursuant to the terms of the Franchise Agreement.

**“Franchisee’s Administrative Office”** means the Surv Administrative Office from which Franchisee establishes, operates and manages the Franchised Business.

**“Franchisee’s Operating Territory”** means the “Operating Territory” as such term is set forth and defined in the Franchise Agreement.

**“Immediate Family Member”** means the spouse of a person and any other member of the household of such person, including, without limitation, children of such person.

**“Intellectual Property”** means, individually and collectively, our Licensed Marks, Copyrights, Know-How, and System.

**“Know-How”** means our trade secrets and proprietary information relating to the development, establishment, marketing, promotion and/or operation of a Surv Business including, but not limited

to, methods, techniques, specifications, procedures, policies, marketing strategies and information reflected in, included in, comprising and/or constituting a part of the System. Without limitation to the foregoing, Know-How shall further include information contained in the Operations Manual and the Confidential Information.

**“Licensed Marks”** means the trademarks, service marks, emblems and indicia of origin, including the “Surv” trademark, the Surv logo, Trade Dress, and other trade names, service marks, trademarks, logos, slogans and designs authorized by us in connection with the identification of Surv Businesses and the Approved Services and Products, provided that such trade names, trademarks, service marks, logos and designs are subject to modification, replacement and discontinuance by us in our Reasonable Business Judgment.

**“Operations Manual”** means, individually and collectively, the manual(s) designated by us and relating to the development and/or operations of Surv Businesses including, but not limited to, the policies, procedures and requirements for the development and operation of Surv Businesses. The Operations Manual may consist of one or more volumes, handbooks, manuals, written materials, videos, electronic media files, cloud/internet based list-service, intranet, internet based and accessed databases, computer media, email, webinars and other materials as may be modified, added to, replaced or supplemented by us from time to time in our Reasonable Business Judgment, whether by way of supplements, replacement pages, franchise bulletins, or other official pronouncements or means. Subject to our modification from time to time and based on our Reasonable Business Judgment, the Operations Manual shall, among other things, designate the Approved Services and Products that must be offered and sold by the Franchised Business and the System Supplies that must be exclusively utilized by the Franchised Business.

**“Owner”** means collectively, individually, jointly and, as of the Effective Date: (a) the officers and directors of Franchisee (including the officers and directors of any general partner of Franchisee) who hold an ownership interest in Franchisee; (b) the managing member or manager of Franchisee, if franchisee is a limited liability company; (c) all holders of a 5% or more direct or indirect ownership interest in Franchisee and/or of any entity directly or indirectly controlling Franchisee; and (d) the Managing Owner(s).

**“Prohibited Activities”** means any or all of the following: (a) owning and/or having any legal or equitable interest (whether as an individual proprietor or as an owner, partner, member or shareholder of a Corporate Entity or, in any similar capacity) in a Competitive Business (other than owning an interest of 3% or less in a publicly traded company that is a Competitive Business); (b) operating, managing, funding and/or performing services (whether as an employee, officer, director, manager, consultant, representative, agent, and/or creditor or in any similar capacity) for a Competitive Business; (c) diverting or attempting to divert any business or customers from us (or one of our affiliates or franchisees); and/or (d) inducing any customer or client of ours (or of one of our affiliates or franchisees) or of Franchisee to any other person or business that is not a Surv Business.

**“Reasonable Business Judgment”** means, and relates to any and all decisions, actions and choices made by us concerning or relating to the Franchise Agreement, the System, Surv Businesses and the Franchised Business where we undertake or make such decision with the intention of benefitting or acting in a way that could benefit the System including, as examples and without limitation, enhancing the value of the Licensed Marks, increasing customer satisfaction, minimizing potential customer confusion as to the Licensed Marks, determining operating territory markets, minimizing potential customer confusion as to the location of Surv Businesses, expanding brand awareness of the Licensed Marks, implementing marketing and accounting control systems, approving products,

services, supplies and equipment. The Franchisee has agreed, and you agree, that when a decision, determination, action and/or choice is made by us in our Reasonable Business Judgment that such decision, determination, action or choice made by us takes precedence and prevails, even if other alternatives, determinations, actions and/or choices are reasonable or arguably available and/or preferable. Franchisee has agreed, and you agree, that in connection with any decision, determination, action and/or choice made by us in our Reasonable Business Judgment as franchisor that: (a) we possess a legitimate interest in seeking to maximize our profits; (b) we shall not be required to consider Franchisee's or your individual economic or business interests as compared to the overall System; and (c) should we economically benefit from such decision, determination, action and/or choice that such economic benefit to us shall not be relevant to demonstrating that we did not exercise reasonable business judgment with regard to our obligations under the Franchise Agreement and/or with regard to the System. Franchisee agreed and you agree that neither Franchisee and/or any third party, including, but not limited to, any third party acting as a trier of fact, shall substitute Franchisee's or such third party's judgment for our Reasonable Business Judgment. Franchisee agreed, and you agree, that should Franchisee challenge our Reasonable Business Judgment in any legal proceeding that Franchisee shall possess the burden of demonstrating, by clear and convincing evidence, that we failed to exercise our Reasonable Business Judgment.

**“Restricted Period”** means the 24 month period after the earliest to occur of the following: (a) the expiration of the Franchise Agreement; (b) the termination of the Franchise Agreement; (c) the date on which Franchisee assigns the Franchise Agreement to another person (other than you or your Spouse or an Immediate Family Member) provided that you do not and your Spouse does not own or hold, in the assignee, any direct or indirect ownership and/or equity interest whether legal, equitable or otherwise; (d) if you are an Owner of Franchisee, the date on which you cease to be an Owner of Franchisee; or (e) if you are the Spouse of an Owner of Franchisee, the date on which your Spouse ceases to be an Owner of Franchisee. Provided however, that if a court of competent jurisdiction determines that this period of time is too long to be enforceable, then the “Restricted Period” means the 18 month period after the earliest to occur of the following: (a) the expiration of the Franchise Agreement; (b) the termination of the Franchise Agreement; (c) the date on which Franchisee assigns the Franchise Agreement to another person (other than you or your Spouse or an Immediate Family Member) provided that you do not and your Spouse does not own or hold, in the assignee, any direct or indirect ownership and/or equity interest whether legal, equitable or otherwise; (d) if you are an Owner of Franchisee, the date on which you cease to be an Owner of Franchisee; or (e) if you are the Spouse of an Owner of Franchisee, the date on which you cease to be the Spouse of an Owner of Franchisee.

**“Restricted Period”** means the 24 month period after the earliest to occur of the following: (a) the expiration of the Franchise Agreement; (b) the termination of the Franchise Agreement; (c) the date on which Franchisee, in compliance with the terms of the Franchise Agreement, assigns the Franchise Agreement to another person (other than you or your Spouse) provided that you do not and your Spouse does not own or hold, in the assignee, any direct or indirect ownership and/or equity interest whether legal, equitable or otherwise; (d) if you are an Owner of Franchisee, the date on which you, in compliance with the terms of the Franchise Agreement, cease to be an Owner of Franchisee; or (e) if you are the Spouse of an Owner of Franchisee, the date on which your Spouse, in compliance with the terms of the Franchise Agreement, ceases to be an Owner of Franchisee. Provided however, that if a court of competent jurisdiction determines that this period of time is too long to be enforceable, then the “Restricted Period” means the 18 month period after the earliest to occur of the following: (a) the expiration of the Franchise Agreement; (b) the termination of the Franchise Agreement; (c) the date on which Franchisee, in compliance with the terms of the Franchise Agreement, assigns the Franchise Agreement to another person (other than

you or your Spouse) provided that you do not and your Spouse does not own or hold, in the assignee, any direct or indirect ownership and/or equity interest whether legal, equitable or otherwise; (d) if you are an Owner of Franchisee, the date on which you, in compliance with the terms of the Franchise Agreement, cease to be an Owner of Franchisee; or (e) if you are the Spouse of an Owner of Franchisee the date on which your Spouse, in compliance with the terms of the Franchise Agreement, ceases to be an Owner of Franchisee.

**“Restricted Territory”** means the geographic area: (a) comprising Franchisee’s Operating Territory; (b) comprising a 25 mile radius surrounding Franchisee’s Operating Territory; (c) comprising each of the operating territories, respectively, of other Surv Businesses that are in operation or under development during all or any part of the Restricted Period; provided, however, that if a court of competent jurisdiction determines that the foregoing Restricted Territory is too broad to be enforceable, then the “Restricted Territory” means the geographic area within Franchisee’s Operating Territory plus a 25 mile radius surrounding Franchisee’s Operating Territory.

**“Spouse”** means, as of the Effective Date, the legal spouse of an Owner.

**“Surv Business”** shall have the meaning defined in the Recitals and Representations section of this Agreement and, without limitation to the Recitals and Representations section of this Agreement, the definition of “Surv Businesses”, shall further include, refer to and mean: every business and all businesses owned and/or operated by us, our affiliates and/or our authorized franchisee(s) that utilize and/or is/are required to utilize the System and/or Licensed Marks including, but not limited to, the Franchised Business.

**“System”** means our system for the development, establishment and operation of Surv Businesses including, but not limited to: (a) the Approved Services and Products, System Supplies, and services, procedures and systems that are designated by us, whether presently or in the future, for use in connection with the development, establishment, marketing, promotion and operation of a Surv Business; (b) the Licensed Marks; (c) the Trade Dress; (d) Copyrights; (e) other trade names, service marks, signs, and logos, copyrights and trade dress that is designated by us, whether presently or in the future, for use in connection with the development, establishment, marketing, promotion and operation of a Surv Business; (f) Operations Manual; (g) Business Management System Data; (h) Know-How; (i) Confidential Information; and (j) Digital Media. All determinations as to the system including components to the system and modifications and replacements thereto shall be determined by us in our Reasonable Business Judgment.

**“System Supplies”** means the equipment and supplies designated by us as required for use in connection with Franchisee’s Surv Business and the Approved Services and Products.

**“System Website”** means the web page and pages located on the world wide web at the WWW.WESURV.COM domain and shall further include all webpages and subdomains including, those that are franchisee and/or geography specific, that are a part of WWW.WESURV.COM, or as designated by Franchisor being associated with the URL of WWW.WESURV.COM and/or Surv Businesses.

**“Trade Dress”** means the Surv Business designs, images, marketing materials, packaging, branding and/or branding images which we authorize and require Franchisee to use in connection with the operation of the Franchised Business and as may be revised and further developed by us from time to time.

“**Transfer**” means and shall include, without limitation, the following, whether voluntary or involuntary, conditional or unconditional, and/or direct or indirect: (a) an assignment, sale, gift, transfer, pledge or sub-franchise; (b) the grant of a mortgage, charge, lien or security interest, including, without limitation, the grant of a collateral assignment; (c) a merger, consolidation, exchange of shares or other ownership interests, issuance of additional ownership interests or securities representing or potentially representing ownership interests, or redemption of ownership interests; and/or (d) a sale or exchange of voting interests or securities convertible to voting interests, or an agreement granting the right to exercise or control the exercise of the voting rights of any holder of ownership interests or to control the operations or affairs of Franchisee.

### **3. Additional Acknowledgments by You.**

The Recitals and Representations set forth in the beginning of this Agreement are hereby incorporated into this Agreement. In addition to the foregoing, you acknowledge and represent that:

- (a) as of the Effective Date you are an Owner and/or Spouse;
- (b) you are signing this Agreement in your individual capacity and that you are bound to the terms and conditions of this Agreement and irrespective of any change in your status as an Owner and/or Spouse;
- (c) in your capacity as an Owner of Franchisee or as the Spouse of an Owner of Franchisee that you have and may be gaining access to, among other things, the System and Intellectual Property;
- (d) you acknowledge that all of the components and aspects of the System and Intellectual Property (both individually and as they relate to one another collectively) are critical to our success as the franchisor of the System and to the overall System;
- (e) you acknowledge that we need to protect the System and Intellectual property and that to do so we require that you, in your individual capacity, to agree to the brand protection, non-competition and other covenants and restrictions contained in this Agreement and that you personally guarantee the financial and other obligations of Franchisee to us; and
- (f) you acknowledge that the terms of this Agreement are fair and reasonable and that you have elected, based on your own decision, to enter into this Agreement to induce us to enter into the Franchise Agreement with Franchisee.

### **4. Intellectual Property, Brand Protection and Non-Competition Covenants and Restrictions.**

- (a) Know-How. You agree that: (i) you will not use the Know-How in any business or capacity other than the Franchised Business; (ii) you will maintain the confidentiality of the Know-How at all times; (iii) you will not make unauthorized copies of documents containing any Know-How; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Know-How; and (v) you will stop using the Know-How immediately if you are no longer an Owner of Franchisee or your Spouse is no longer an Owner of Franchisee, as applicable. You will not use the Intellectual Property for any purpose other than the development and operation of the Franchised Business pursuant to the terms of the Franchise Agreement and Operations Manual. You agree to assign to us or our designee, without charge, all rights to any Improvement developed by you, including the right to grant sublicenses. If applicable law precludes you from assigning ownership of any Improvement to us, then such Improvement

shall be perpetually licensed by you to us free of charge, with full rights to use, commercialize, and sublicense the same.

(b) Non-Competition During Franchise Relationship. Subject to the terms and conditions of Article 5 of this Agreement, below, you represent and agree that while you are an Owner of Franchisee or while your Spouse is an Owner of Franchisee (as applicable) that you will not engage in any Prohibited Activities. You agree that this restriction is fair and reasonable and that if you did engage in a Prohibited Activity that such actions would constitute acts of unfair competition and will irreparably harm the System and us.

(c) Non-Competition After Franchise Relationship. You represent, acknowledge and agree that during the Restricted Period you will not engage in any Prohibited Activities; provided, however, that the Prohibited Activity relating to having an interest in a Competitive Business will only apply with respect to a Competitive Business that is located within or provides competitive goods or services to customers/clients who are located within the Restricted Territory. If you engage in any Prohibited Activities during the Restricted Period, then you agree that your Restricted Period will be extended by the period of time during which you were engaging in the prohibited activity (any such extension of time will not be construed as a waiver of your breach or otherwise impair any of our rights or remedies relating to your breach). You agree that this restriction is fair and reasonable and that if you did engage in a Prohibited Activity that such actions would constitute acts of unfair competition and will irreparably harm us and the System.

(d) Confidentiality Restrictions. You represent, acknowledge and agree that, at all times you: (i) shall not use the Confidential Information in any business or capacity other than the Franchised Business; (ii) shall maintain the confidentiality of the Confidential Information; (iii) shall not make unauthorized copies of documents containing any Confidential Information; (iv) shall take such reasonable steps as we may ask of you and/or Franchisee from time to time to prevent unauthorized use or disclosure of the Confidential Information; (v) shall immediately and permanently stop using the Confidential Information upon the expiration or termination of the Franchise Agreement; (vi) shall immediately and permanently stop using the Confidential Information if you are no longer an Owner of Franchisee and/or the Spouse of an Owner; (vii) shall immediately and permanently stop using the Confidential Information upon Franchisee's Transfer of the Franchise Agreement; and (viii) shall not disclose the Confidential Information to any third party except in a legal proceeding pursuant to an order of a court of competent jurisdiction and after affording us no less than 15 business days prior notice and an opportunity for us, at our election, to appear in such action.

(e) Immediate Family Members. You acknowledge that should you circumvent the purpose and protections (due to us) of this Agreement by disclosing Know-How to an immediate family member (*i.e.*, parent, sibling, child, or grandchild) we will and the System will be irreparably harmed. You acknowledge that if you did disclose the Know-How to an immediate family member and your immediate family member used the Know-How to engage in activities that, for you, qualify as Prohibited Activities as defined above, that we and the System will be irreparably harmed. You agree that as between you and us that you are in a better position to know if you permitted and/or provide an immediate family member with access to the Know-How. Therefore, you agree that you will be presumed to have violated the terms of this Agreement if any member of your immediate family (i) engages in any Prohibited Activities during any period of time during which you are prohibited from engaging in the Prohibited Activities or (ii) uses or discloses the Know-How. However, you may rebut this presumption by providing evidence conclusively demonstrating that you did not disclose the Know-How nor permit disclosure of the Know-How to the family member.

(f) Reasonableness of Covenants and Restrictions. You agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **You waive any right to challenge the terms of this Agreement as being overly broad, unreasonable or otherwise unenforceable.** Although you and we both believe that the covenants in this Agreement are reasonable in terms of scope, duration and geographic are, we may at any time unilaterally modify the terms of this Article 4 (Intellectual Property, Brand Protection and Non-Competition Covenants and Restrictions) by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory and/or reducing the scope of any other covenant imposed upon you under this Article 4 to ensure that the terms are enforceable under applicable law.

(g) Breach. You agree that failure to comply with these Article 4 Intellectual Property, Brand Protection and Non-Competition Covenants and Restrictions will cause irreparable harm to us and/or other Surv Business franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of these covenants will entitle us to injunctive relief. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon a hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed \$1,000. None of the remedies available to us under this Article are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages.

## **5. Transfer Restrictions and Non-Competition Covenants and Restrictions.**

Notwithstanding anything contained in this Agreement to the contrary, you agree that if you are an Owner, and/or the Spouse of an Owner, that, prior to Transferring an Owner's equity and/or ownership interests in Franchisee that, among other things, Franchisee must notify us and obtain our written consent. Likewise, you agree that under the Franchise Agreement that prior to Franchisee's Transfer of the Franchise Agreement, among other things, Franchisee must notify us and obtain our written consent. For our protection and to prevent the subversion of the non-competition covenants contained in Article 4 of this Agreement and, to induce us to enter into the Franchise Agreement with Franchisee, you agree, that:

(a) if you are an Owner, should Franchisee fail to properly and timely notify us in writing of the proposed Transfer of your equity and/or ownership interests in Franchisee and/or should Franchisee, fail to obtain our consent to the proposed Transfer of your equity and/or ownership interests in Franchisee (which we may either reject or approve, in accordance with the terms and conditions of the Franchise Agreement), you shall remain subject to the non-competition covenants contained in Article 4 of this Agreement and irrespective of any purported and/or actual Transfer in violation of the terms and conditions of the Franchise Agreement;

(b) if you are a Spouse, should Franchisee fail to properly and timely notify us in writing of the proposed Transfer of your Spouse's equity and/or ownership interests in Franchisee and/or should Franchisee, fail to obtain our consent to the proposed Transfer of your Spouse's equity and/or ownership interests in Franchisee (which we may either reject or approve, in accordance with the terms and conditions of the Franchise Agreement), you shall remain subject to the non-

competition covenants contained in Article 4 of this Agreement and irrespective of any purported and/or actual Transfer in violation of the terms and conditions of the Franchise Agreement;

(c) if you are an Owner, should Franchisee fail to properly and timely notify us in writing of the proposed Transfer of the Franchise Agreement to a third party and/or should Franchisee, fail to obtain our consent to the proposed Transfer of the Franchise Agreement to a third party (which we may either reject or approve, in accordance with the terms and conditions of the Franchise Agreement), you shall remain subject to the non-competition covenants contained in Article 4 of this Agreement and irrespective of any purported and/or actual Transfer in violation of the terms and conditions of the Franchise Agreement; and

(d) if you are the Spouse of an Owner, should Franchisee fail to properly and timely notify us in writing of the proposed Transfer of the Franchise Agreement to a third party and/or should Franchisee, fail to obtain our consent to the proposed Transfer of the Franchise Agreement to a third party (which we may either reject or approve, in accordance with the terms and conditions of the Franchise Agreement), you shall remain subject to the non-competition covenants contained in Article 4 of this Agreement and irrespective of any purported and/or actual Transfer in violation of the terms and conditions of the Franchise Agreement.

## **6. Personal Guaranty of Franchise Agreement and Financial Obligations.**

To secure Franchisee's financial obligations under the Franchise Agreement and all ancillary agreements executed by Franchisee in connection with the Franchise Agreement, including, but not limited to, any agreement for the purchase of goods or services from us or an affiliate of ours (collectively the "Ancillary Agreements") you individually, jointly and severally, and personally and unconditionally:

(a) guarantee to us and our successor and assigns, that Franchisee shall punctually satisfy and pay all of Franchisee's payment and other obligations under the Franchise Agreement;

(b) guarantee to us and our successor and assigns, that Franchisee shall punctually satisfy and pay all of Franchisee's payment and other obligations under the Ancillary Agreements;

(c) agree, at all times, to be personally bound by and personally liable for each and every fee, payment and monetary obligation due from Franchisee to us pursuant to the terms of the Franchise Agreement (including, but not limited to, the fee obligations of Article 5 of the Franchise Agreement, the advertising obligations of Article 9 of the Franchise Agreement, and the indemnification obligations of Article 10 of the Franchise Agreement);

(d) agree, at all times, to be personally bound by and personally liable for each and every fee, payment and monetary obligation due from Franchisee to us and/or our affiliates under the Ancillary Agreements;

(e) do, at all times, hereby personally guarantee payment of each and every fee, payment and monetary obligation due or that may become due from Franchisee to us pursuant to the terms of the Franchise Agreement including, but not limited to, the fee obligations of Article 5 of the Franchise Agreement, the marketing obligations of Article 9 of the Franchise Agreement, and the indemnification obligations of Article 10 of the Franchise Agreement; and

(f) do, at all times, hereby personally guarantee payment of each and every fee, payment and monetary obligation due or that may become due from Franchisee to us pursuant to the terms of the Ancillary Agreements.

**You waive:** (a) acceptance and notice of acceptance by us of the foregoing undertakings; (b) notice of demand for payment of any indebtedness guaranteed; (c) protest and notice of default to any party with respect to the indebtedness guaranteed; (d) any right you may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (e) the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness hereby guaranteed.

**You agree that:** (a) your direct and immediate liability under this guaranty shall be joint and several with Franchisee and all other signatories to this Agreement; (b) you will render any payment required under the Franchise Agreement and the Ancillary Agreements upon demand if Franchisee fails or refuses punctually to do so; (c) your liability shall not be contingent or conditioned upon pursuit by us of any remedies against Franchisee or any other person; and (d) liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence that we may grant to Franchisee or to any other person, including the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this guarantee, which shall be continuing and irrevocable during the term of each of the Franchise Agreement and the Ancillary Agreements and following the termination, expiration or Transfer of each of the Franchise Agreement and the Ancillary Agreements to the extent any financial obligations under any such Franchise Agreement and Ancillary Agreements survive such termination, expiration or Transfer. This guaranty will continue unchanged by the occurrence of any bankruptcy with respect to Franchisee or any assignee or successor of Franchisee or by any abandonment of one or more of the Franchise Agreement and/or Ancillary Agreements by a trustee of Franchisee. Neither your obligation to make payment in accordance with the terms of this undertaking nor any remedy for enforcement shall be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of Franchisee or its estate in bankruptcy or of any remedy for enforcement, resulting from the operation of any present or future provision of the U.S. Bankruptcy Act or other statute, or from the decision of any court or agency.

## **7. Arbitration, Consent to Jurisdiction and Venue, and Cross-Default.**

Any dispute between the parties relating to this Agreement shall be brought in accordance with the dispute resolution procedures set forth in the Franchise Agreement. Notwithstanding the foregoing, if any of the dispute resolution procedures set forth in the Franchise Agreement conflict with any of the terms of this Agreement, the terms of this Agreement shall prevail. Without limitation to the foregoing, you agree that:

- (a) Arbitration – Except, at our option, as to any claims or disputes related to or concerning a breach of this Agreement by you that may entitle us to the award of injunctive relief, you agree that any and all disputes, controversies, and claims, arising from and/or related to this Agreement, shall be submitted to the American Arbitration Association (“AAA”) for binding arbitration. Arbitration shall be conducted by one arbitrator in accordance with the AAA’s then current rules for commercial disputes, except as may be otherwise required in this Agreement. All arbitration proceedings shall be conducted in Cincinnati, Ohio.

In connection with binding arbitration, you agree that:

- (i) All matters relating to arbitration, will be governed by the United States Federal Arbitration Act, except as expressly or otherwise set forth in this Agreement;
- (ii) The arbitration hearing shall be conducted within 180 days of the demand for arbitration;
- (iii) The arbitrator shall render written findings of fact and conclusions of law;

(iv) Except as may be otherwise required and/or prohibited by this Agreement, the arbitrator has the right to award or include in his or her award any relief that he or she determines to be proper, including monetary damages, interest on unpaid sums, specific performance, injunctive relief, attorneys' fees, and costs and expenses as allowable under this Agreement. Notwithstanding the foregoing, under no circumstance shall the Arbitrator be authorized to award or declare the Licensed Marks to be generic or invalid; and

(v) Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction.

(b) **Consent to Jurisdiction and Venue** – You agree that any judicial action or legal proceeding must be brought in a court of competent jurisdiction located within the State of Ohio and within Hamilton County. You do hereby irrevocably consent to and waive any objection to such jurisdiction or venue. Without limitation to the foregoing and notwithstanding same, you agree that we, at our election, may bring any legal action or proceeding seeking a temporary restraining order, preliminary injunction, or any action seeking our enforcement of an arbitration award or any judicial decision in the federal or state court located in the county and state where you reside.

(c) Acknowledgment as to Cross-Default – You agree that a breach of this Agreement by you shall constitute a material event of default under the Franchise Agreement, permitting us, among other things, to terminate the Franchise Agreement in accordance with the terms thereof.

## 8. Miscellaneous.

(a) If either party hires an attorney or files suit against the other party in relating to and alleging a breach of this Agreement, the losing party agrees to pay the prevailing party's reasonable attorneys' fees and costs incurred in connection with such breach.

(b) This Agreement will be governed by, construed and enforced under the laws of Ohio and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

(c) Any claim, defense or cause of action that you may have against us or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

(d) Each section of this Agreement, including each subsection and portion thereof, is severable. In the event that any section, subsection or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration and geographic area.

(e) You agree that we may deliver to you any notice or other communication contemplated by this Agreement in the same manner and to the same address listed in the notice provisions of the Franchise Agreement and any such delivery shall be deemed effective for purposes of this Agreement. You may change the address to which notices must be sent by sending us a written notice requesting such change, which notice shall be delivered in the manner and to the address listed in the Franchise Agreement.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, each undersigned has executed this Agreement as of the date set forth below.

**Owner/Spouse:**

**Owner/Spouse:**

\_\_\_\_\_  
Signature of Owner/Spouse

\_\_\_\_\_  
Signature of Owner/Spouse

\_\_\_\_\_  
Name (please print individual name)

\_\_\_\_\_  
Name (please print individual name)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Owner/Spouse

\_\_\_\_\_  
Signature of Owner/Spouse

\_\_\_\_\_  
Name (please print individual name)

\_\_\_\_\_  
Name (please print individual name)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date



Franchise Agreement  
**Exhibit 2**  
Confidentiality Agreement

THIS EXHIBIT IS FOR REFERENCE PURPOSES ONLY AS A SAMPLE FORM  
CONFIDENTIALITY AGREEMENT THAT FRANCHISOR MAY APPROVE FOR USE BY  
FRANCHISEE – BEFORE USING WITH AN EMPLOYEE OR CONTRACTOR FRANCHISEE  
SHOULD HAVE THIS AGREEMENT REVIEWED AND APPROVED BY AN INDEPENDENT  
LOCAL ATTORNEY HIRED BY FRANCHISEE



**CONFIDENTIALITY AGREEMENT** (Sample Only)

This Agreement (the “Agreement”) is entered into by the undersigned (“you”) in favor of:

[Insert On the Line Below Name of Franchisee that Owns and Operates the Surv Business]

\_\_\_\_\_ (hereinafter referred to as “us”, “our” or “we”)

**Recitals and Representations**

WHEREAS, we are the owners of a licensed Surv Business (hereinafter referred to as the “Surv Business”) that we independently own and operate as a Franchisee;

WHEREAS, you are or are about to be an employee, independent contractor, officer and/or director of a Surv Business that is independently owned and operated by us;

WHEREAS, in the course of your employment, independent contractor relationship and/or association with us, you may gain access to Confidential Information (defined below in this Agreement) and you understand that it is necessary to protect the Confidential Information and for the Confidential Information to remain confidential;

WHEREAS, our Franchisor, Surv Franchisor, LLC, is not a party to this agreement and does not own or manage the Surv Business but is an intended third party beneficiary of this Agreement; and

WHEREAS, this Agreement is not an employment agreement and is only a confidentiality agreement in connection with information, materials and access that may be provided to you in connection with the Surv Business.

NOW THEREFORE, you acknowledge and agree as follows:

**1. Recitals and Representations.** You agree that the foregoing Recitals and Representations are true and accurate and shall constitute a part of this Agreement and are hereby incorporated into the main body of this Agreement.

**2. Definitions.** For purposes of this Agreement, the following terms have the meanings given to them below:

“*Business Management System*” refers to and means the software and/or internet or cloud based system and/or systems, point of sale system or systems and customer relationship management system or systems as used in connection with the operations of the Surv Business.

“*Business Management System Data*” refers to and means the forms, data, tools, customer information, inventory and sales information, and other information that is entered into and/or maintained on the Business Management System of the Surv Business.

“*Confidential Information*” refers to and means: (a) non-public methods, specifications, standards, policies, procedures, information, concepts, programs and systems relating to the development, establishment, marketing, promotion and operation of the Surv Business; (b) information

concerning customers, customer lists, email lists, database lists, product sales, operating results, financial performance and other financial data of the Surv Business; (c) customer lists and information related to the Surv Business; (d) Business Management System Data; (e) current and future information contained in Surv Operations Manual made available to the Surv Business by Surv Franchisor, LLC; and (f) production, supply, and service procedures that are not disclosed to the public but used by the Surv Business.

“Digital Media” refers to and means any interactive or static electronic document, application or media including, but not limited to, WWW.WESURV.COM, social media platforms and applications such as Facebook, LinkedIn, Twitter / X, Pinterest, Instagram, SnapChat, YouTube, and world wide web and internet based directories and local directories that refers, references, identifies, reviews, promotes and/or relates, in any way, to the Surv Business or other Surv Business.

“Licensed Marks” refers to and means the word marks, trademarks, service marks, and logos now or hereafter utilized in the operation of a Surv Business, including, but not limited to, the “Surv” word mark, associated logos, and any other trademarks, service marks or trade names that we designate for use in a Surv Business.

“Operations Manual” refers to and means the confidential Operations Manual made available to the Surv Business by our Franchisor or as otherwise designated by us. The operations manual may consist of one or more volumes, handbooks, manuals, written materials, video, electronic media files, cloud/internet based list-service, intra-net, internet based and accessed databases, computer media, webinars and other materials as may be modified, added to, replaced or supplemented.

“Trade Dress” refers to and means Surv designs, images, marketing materials, packaging, branding and/or branding images used in connection with the operation of the Surv Business.

**3. Your Access to Confidential Information.** In addition to the representations and acknowledgments contained in the Recitals and Representations, above, you acknowledge and represent that in your capacity as an employee, independent contractor, officer and/or director of the Surv Business that you will be gaining access to, among other things, the Confidential Information. You acknowledge that the terms of this Agreement are fair and reasonable.

**4. Protection of the Confidential Information.** You agree that: (i) you will not use the Confidential Information in any business or capacity other than the Surv Business; (ii) you will maintain the confidentiality of the Confidential Information at all times; (iii) you will not make unauthorized copies of documents containing the Confidential Information; (iv) you will take such reasonable steps as the we may ask of you from time to time to prevent unauthorized use or disclosure of the Confidential Information; and (v) you will stop using the Confidential Information immediately at our request or demand. You will not use the Confidential Information for any purpose other than for the performance of your duties on behalf of us and in accordance with the scope of your work with us.

**5. Reasonableness of Covenants and Restrictions.** You agree that the terms of this Agreement are reasonable and fair and that you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **You hereby waive any right to challenge the terms of this Agreement as being overly broad, unreasonable or otherwise unenforceable.**

**6. Breach.** You agree that failure to comply with the terms of this Agreement will cause irreparable harm to us and to our Franchisor Surv Franchisor, LLC, and other Surv franchisees for which there is no

adequate remedy at law. Therefore, you agree that any violation of these covenants will entitle us or our Franchisor Surv Franchisor, LLC to injunctive relief. You agree that we and/or our Franchisor Surv Franchisor, LLC may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon a hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, you agree that the amount of the bond shall not exceed \$1,000. None of the remedies available to us under this Article are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages.

**7. Miscellaneous.**

(a) If we hire an attorney or file suit against you because you have breached this Agreement and if we prevail in such lawsuit, you agree to pay the reasonable attorney fees and costs that we incur.

(b) Each section of this Agreement, including each subsection and portion thereof, is severable. In the event that any section, subsection or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration and geographic area.

(c) **YOU ACKNOWLEDGE THAT THIS IS NOT AN EMPLOYMENT AGREEMENT.**

(d) **YOU ACKNOWLEDGE AND AGREE THAT OUR FRANCHISOR, SURV FRANCHISOR, LLC, IS NOT A PARTY TO THIS AGREEMENT BUT IS AN INTENDED THIRD PARTY BENEFICIARY OF THIS AGREEMENT.**

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement as of the date or dates set forth below.

\_\_\_\_\_  
Individual Signature of Restricted Party

\_\_\_\_\_  
Individual Signature of Restricted Party

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Name (please print)

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

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



Franchise Agreement

**Exhibit 3**

Assignment of Telephone Numbers and Digital Media Accounts



**ASSIGNMENT OF TELEPHONE NUMBERS AND DIGITAL MEDIA ACCOUNTS**

(for the benefit of Surv Franchisor, LLC and its assigns)

THIS ASSIGNMENT OF TELEPHONE NUMBERS AND DIGITAL MEDIA ACCOUNTS (the “Assignment”) is entered into between \_\_\_\_\_ (the “Assignor”) and Surv Franchisor, LLC and its successors and assigns (the “Assignee”).

WHEREAS, Assignee is the franchisor of the Surv Business franchise system (the “Surv Business Franchise System”);

WHEREAS, Assignor, as franchisee, and Assignee, as franchisor, are parties to a Surv Business Franchise Agreement (the “Franchise Agreement”);

WHEREAS, the term “Digital Media” shall refer to and mean any interactive or static digital document, listing, directory, application, advertisement, link, metadata, or media that is transmitted within a closed or private network, or that is connected to, in communication with, and/or networked with computers, applications, or other devices linked by communications systems, data systems, a part of the world wide web including, traditional websites, web based applications, distributed databases, including, blockchain, software applications, smart phone applications, or social media platforms such as Facebook, LinkedIn, Twitter / X, Pinterest, Instagram, SnapChat, TikTok, and YouTube, that refers, references, identifies, reviews, promotes and/or relates, in any way, to a Surv Business, Surv Businesses, Assignor’s Surv Business and/or trademarks associated with the Surv Business, the Surv Business Franchise System and/or Assignee; and

WHEREAS, in connection with Assignor’s establishment and operation of a Surv Business, Assignor will be utilizing accounts, information, phone numbers and Digital Media subject to strict requirements set forth in the Franchise Agreement.

NOW THEREFORE, Assignor, in exchange for good and valuable consideration provided and paid by Assignee (receipt of which is hereby acknowledged), agrees:

1. That Assignor does hereby assign to assignee all telephone numbers, facsimile numbers, listings, domain names and Digital Media that is associated with Assignor’s Surv Business including, the following (all collectively referred to as the “Media”):

(a) All phone numbers, facsimile numbers and listings that are currently, or in the future, associated with Assignor’s Surv Business;

(b) The following telephone and facsimile numbers:  
\_\_\_\_\_  
\_\_\_\_\_ ; and

(c) All Digital Media, all Digital Media accounts and all Digital Media log-in information.

The foregoing shall not be construed and/or interpreted as Assignees acknowledgment and/or agreement that Assignor owns and/or possesses any ownership interests in the foregoing telephone numbers, accounts and/or Digital Media. Any and all rights of Assignor in and to same exist subject to a limited license

pursuant to the Surv Business Franchise Agreement which shall take precedence and govern. However, this Assignment is intended by Assignor and Assignee to be an instrument that may be relied upon by all third parties to authorize and permit the assignments and transfers set forth in this Assignment and to facilitate the transfer of accounts and media to within the control of Assignee. Nothing contained in this Assignment shall be used to construe nor imply that Assignor possesses any ownership interests or rights in the Digital Media and in the event of any inconsistency or conflict between this Assignment and the Franchise Agreement, the Franchise Agreement shall take precedence and govern.

2. This Assignment will become effective automatically upon the termination or expiration of the Franchise Agreement for any reason. As to all third parties proof of the expiration or termination of the Franchise Agreement shall exist exclusively upon the written declaration of Assignee and Assignee's declaration shall be dispositive and not subject to challenge. Assignor acknowledges that all third parties may rely on this Assignment for the purpose of taking any and all actions to ensure that access to and control of the Media is maintained by Assignee.

**UTILIZATION OF THIS ASSIGNMENT SHALL EXIST AT THE SOLE DISCRETION OF ASSIGNEE AND FOR THE SOLE BENEFIT OF ASSIGNEE.**

Assignee:  
Surv Franchisor, LLC

Assignor:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name and Title (please print)

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Dated



Franchise Agreement  
**Exhibit 4**  
ACH Authorization Form



**AUTOMATED CLEARING HOUSE PAYMENT AUTHORIZATION FORM**

**Franchisee Information:**

Franchisee Name	Business No.
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 Email Address

**Bank Account Information**

Bank Name		
Bank Mailing Address (street, city, state, zip)		
<input type="checkbox"/> Checking <input type="checkbox"/> Savings		
Bank Account No	(check one)	Bank Routing No.
Bank Phone No.		

**Authorization:**

Franchisee hereby authorizes Surv Franchisor, LLC (“Franchisor”) to initiate debit entries to Franchisee’s account with the Bank listed above and Franchisee authorizes the Bank to accept and to debit the amount of such entries to Franchisee’s account. Each debit shall be made from time to time in an amount sufficient to cover any fees payable to Franchisor pursuant to any agreement between Franchisor and Franchisee as well as to cover any purchases of goods or services from Franchisor or any affiliate of Franchisor. Franchisee agrees to be bound by the National Automated Clearing House Association (NACHA) rules in the administration of these debit entries. Debit entries will be initiated only as authorized above. This authorization is to remain in full force and effect until Franchisor has received written notification from Franchisee of its termination in such time and in such manner as to afford Franchisor and the Bank a reasonable opportunity to act on it. Franchisee shall notify Franchisor of any changes to any of the information contained in this authorization form at least 30 days before such change becomes effective.

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

Name: \_\_\_\_\_ Federal Tax TD No.: \_\_\_\_\_

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

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



Franchise Agreement  
**Exhibit 5**  
General Release

FORM OF GENERAL RELEASE

GENERAL RELEASE

THIS GENERAL RELEASE (the "Release") is made as of \_\_\_\_\_ (the "Effective Date") by:

(a) \_\_\_\_\_, a(n) \_\_\_\_\_, and \_\_\_\_\_, a(n) \_\_\_\_\_ (individually, jointly, severally, and collectively referred to as "Franchisee"), and

(b) if Franchisee is a Corporate Entity, the following individuals: \_\_\_\_\_, an individual residing at \_\_\_\_\_, and \_\_\_\_\_, an individual residing at \_\_\_\_\_ (individually, jointly, severally, and collectively referred to as the "Individual Guarantors") (Franchisee and the Individual Guarantors, respectively, are hereinafter individually, jointly, severally, and collectively referred to as the "Releasor"),

In Favor of, Surv Franchisor, LLC, a Delaware limited liability company with a principal address at 7870 East Kemper Road, Suite 400, Cincinnati, Ohio 45259, and Surv Franchisor, LLC's predecessors, affiliates, successors, assigns, officers, directors, managers, employees, and agents (hereinafter individually, jointly, severally, and collectively referred to as the "Releasee").

IN EXCHANGE FOR GOOD AND VALUABLE CONSIDERATION FROM SURV FRANCHISOR, LLC AND/OR RELEASEE, AND WITH THE RECEIPT AND SUFFICIENCY OF SUCH CONSIDERATION BEING HEREBY ACKNOWLEDGED BY RELEASOR, RELEASOR DOES HEREBY, FOR ITSELF AND FOR RELEASOR'S SUCCESSORS AND ASSIGNS HEREBY RELEASE AND FOREVER DISCHARGE RELEASEE FROM:

Any and all claims including, but not limited to Franchise Claims (defined below), causes of action, violations, damages, actions, contracts, covenants, promises, judgments, suits, indebtedness, liabilities, accounts, and demands of every kind and nature (hereinafter all collectively referred to as the "Claims" or "Claim"), whether or not such Claims are presently known or unknown, disclosed or undisclosed, actual or potential, accrued or unaccrued and whether in law, admiralty, common law, or equity which against the Releasee, Releasor ever had, now has or hereafter can, shall or may, have for, upon, or by reason of any Claim, matter, cause or thing whatsoever from the beginning of the world to the Effective Date of this Release.

Without limitation to the foregoing, the definition of the term "Claims" or "Claim," includes and, thereby this Release shall apply to, any and all claims, causes of action, violations, damages, actions, contracts, covenants, promises, judgments, suits, indebtedness, liabilities, accounts, and demands of every kind and nature, whether or not such Claims are presently known or unknown, disclosed or undisclosed, actual or potential, accrued or unaccrued, relating to and/or with regard to each and every violation and breach of any and all federal and state franchise laws, franchise rules, or franchise regulations, including those franchise laws, rules, and regulations that relate to and govern the offer or sale of franchises, the offer or sale of business opportunities, the terms of the Franchise Agreement, and the offer and sale of the franchise opportunity related to the Franchise Agreement (collectively, referred to as "Franchise Claims").

This Release may not be changed orally.

This Release may be signed in counterparts, with each counterpart being binding against the party executing it and considered as an original.

This Release shall be interpreted in accordance with the laws of the State of Ohio. In the event that any action or legal proceeding is commenced respecting or related to this Release or the enforceability of this Release, the prevailing party in such legal action or proceeding shall be entitled to the recovery of reasonable attorneys' fees.

IN WITNESS WHEREOF, the Releasor has hereunto set Releasor's hand and seal on the date set forth below.

**Releasor:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Name (please print)

Dated \_\_\_\_\_

Dated \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Name (please print)

Date \_\_\_\_\_

Dated \_\_\_\_\_



Franchise Disclosure Document  
**Exhibit F** - List of Franchisees

<b>Owners</b>	<b>Address</b>	<b>Phone</b>
Jonathan Kiel	42171 Portobello Rd Birmingham, AL 35242	(205) 202-0122
Taylor Blom	226 Beth St Holland, MI 49424	(616) 283-9294
Matthew Raines Cliff Benson III	3245 Anderson Drive Raleigh, NC 27609	(919) 614-2025 (919) 605-4013
Andrew Wells	3660 Central Pike, Suite A Nashville, TN 37076	(205) 617-3756

As of December 31, 2024, there were no franchisees that have signed franchise agreements but were not yet in operation.



Franchise Disclosure Document  
**Exhibit G** - List of Franchisees that Have Left the System

There are no franchisees to report.



Franchise Disclosure Document  
**Exhibit H** -State Specific Amendments

**California FDD Amendment**  
Amendments to the Surv  
Franchise Disclosure Document

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

1. Item 17 “Renewal, Termination, Transfer and Dispute Resolution: The Franchise Relationship,” is supplemented by the addition of the following:

A. 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.

B. The franchisor, any person or franchise broker in Item 2 of the FDD is not subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

C. California Business and Professions Code Sections 20000 through 20043 establish the rights of 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.

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

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

F. The Franchise Agreement requires binding arbitration. The arbitration will occur in Ohio, with the costs being borne by the franchisee and franchisor.

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a Franchise Agreement restricting venue to a forum outside the State of California.

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

2. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

3. You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516).

4. Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

5. Item 6 “Other Fees,” is supplemented by the addition of the following statement: “The highest interest rate allowed by law in the State of California is 10%.”

6. The following URL address is for the franchisor’s website: WWW.WESURV.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).

7. California’s Franchise Investment Law (Corporations Code Sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees or its agents make to you, (ii) our ability to rely on any representations it makes to you, or (iii) any violation of the law.

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

**Maryland FDD Amendment**  
Amendments to the Surv  
Franchise Disclosure Document

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Item 17, “Renewal, Termination, Transfer and Dispute Resolution,” is supplemented, by the addition of the following:

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

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

C. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

D. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et seq.).

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.

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

**Minnesota FDD Amendment**  
Amendments to the Surv  
Franchise Disclosure Document

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ADDITIONAL RISK FACTORS:

1. THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

2. THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

AMENDMENT OF FDD DISCLOSURES:

A. Item 6, "Other Fees", Not sufficient funds are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.

B. Item 13, "Trademarks," Item 13 is supplemented by the addition of the following: As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), we will reimburse you for any costs incurred by you in the defense of your right to use the marks, so long as you were using the marks in the manner authorized by us, and so long as we are timely notified of the claim and given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

C. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," Item 17 is supplemented by the addition of the following: With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5, which require, except in certain specified cases, that you be given 90 days- notice of termination (with 60 days to cure) and 180 days-notice of non-renewal of the Agreement.

D. Item 17 "Renewal, Termination, Transfer and Dispute Resolution," Item 17 is supplemented by the addition of the following: Item 17 shall not provide for a prospective general release of claims against us that may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.

E. Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement

can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

F. 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.



STATE SPECIFIC AMENDMENTS TO FRANCHISE AGREEMENT

**CALIFORNIA FRANCHISE AGREEMENT AMENDMENT**

Amendments to the Surv Franchise Agreement:

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.

IN WITNESS WHEREOF, the parties have duly executed and delivered this California State amendment to Surv Franchisor, LLC Franchise Agreement on the same date as the Franchise Agreement was executed.

**Franchisor:**  
Surv Franchisor, LLC

**Franchisee:**  
\_\_\_\_\_  
Signature

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

\_\_\_\_\_  
Name and Title (please print)

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Dated

## MARYLAND FRANCHISE AGREEMENT AMENDMENT

### Amendments to the Surv Franchise Agreement:

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the parties to the attached Surv Franchisor, LLC Franchise Agreement (the “Franchise Agreement”), as follows:

1. The franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

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

3. Article 18.G. of the Franchise Agreement, under the heading “Choice of Law, Non-Binding Mediation, Binding Arbitration, and Consent to Jurisdiction,” shall be amended by the addition of the following statement added to Article 18.G. of the Franchise Agreement:

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

4. Article 18.I. of the Franchise Agreement, under the heading “Limitations of Claims,” shall be amended by the addition of the following statement added to Article 18.I. of the Franchise Agreement:

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

A general release required as a condition of renewal, sale and/or assignment or transfer of a Franchise Agreement shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law

5. 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.

6. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this amendment.

7. Sections 18(H), 18(Q), 18(R), 18(S) of the Franchise Agreement are deleted in entirety.

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

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

IN WITNESS WHEREOF, the parties have duly executed and delivered this Maryland amendment to the Surv Franchisor, LLC Franchise Agreement on the same date as the Franchise Agreement was executed.

**Franchisor:**  
Surv Franchisor, LLC

**Franchisee:**

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

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name and Title (please print)

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Dated

## MINNESOTA FRANCHISE AGREEMENT AMENDMENT

### Amendments to the Surv Franchise Agreement:

In recognition of the requirements of the Minnesota Statutes, Chapter 80C. and Minnesota Franchise Rules, Chapter 2860, the parties to the attached Surv Franchisor, LLC Franchise Agreement (the “Franchise Agreement”), as follows:

1. Article 14.C. of the Franchise Agreement, under the heading “Conditions for Approval of Transfer,” subarticle 14.C.(6) is supplemented with the addition of the following language:

; provided, however, that all rights enjoyed by Franchisee and any causes of action arising in Franchisee’s favor from the provisions of the Minnesota Franchise Act, Minn. Stat. Section 80C.14 et seq. and Minnesota Rules 2860.4400(D), shall remain in force; it being the intent of this provision that the non-waiver provisions of the Minnesota Rules 2860.4400(D) be satisfied; and

Minnesota law provides a franchisee with certain termination and non-renewal rights. Minn. Stat. Sect. 80C.14 Subdivisions 3, 4, and 5 require, except in certain specified cases, that franchisee be given 180 days-notice of nonrenewal of this Agreement by Franchisor.

2. Article 15.B. of the Franchise Agreement, under the heading “Conditions for Renewal,” the subarticle 15.B.(8) is supplemented with the addition of the following language:

; provided, however, that all rights enjoyed by Franchisee and any causes of action arising in Franchisee’s favor from the provisions of the Minnesota Franchise Act, Minn. Stat. Section 80C.14 et seq. and Minnesota Rules 2860.4400(D), shall remain in force; it being the intent of this provision that the non-waiver provisions of the Minnesota Rules 2860.4400(D) be satisfied; and

Minnesota law provides a franchisee with certain termination and non-renewal rights. Minn. Stat. Sect. 80C.14 Subdivisions 3, 4, and 5 require, except in certain specified cases, that franchisee be given 180 days-notice of nonrenewal of this Agreement by Franchisor.

3. Under Article 11 of the Franchise Agreement, under the heading “Notification of Infringement and Claims,” the subarticle 11.C. shall be supplemented by the addition of the following:

Franchisor agrees to protect Franchisee, to the extent required by the Minnesota Franchise Act, against claims of infringement or unfair competition with respect to Franchisee’s use of the Marks when, in the opinion of Franchisor’s counsel, Franchisee’s rights warrant protection pursuant to Article 11.E. of this Agreement.

4. Under Article 14 of the Franchise Agreement, under the heading “Conditions for Approval of Transfer,” the subarticle 14.C. shall be supplemented by the addition of the following:

Franchisor shall not unreasonably withhold consent to transfer the Franchise Agreement.

5. Under Article 16 of the Franchise Agreement, under the heading “Defaults and Automatic Termination Upon Written Notice Without Cure Period,” the subarticle 16.A.(2) shall be supplemented by the addition of the following:

Article 16.A.(2) will not be enforced to the extent prohibited by applicable law.

6. Under Article 16 of the Franchise Agreement, under the heading “Defaults and Automatic Termination After 30 Day Cure Period,” the subarticle 16.A.(4)(f), shall be supplemented by the addition of the following:

Subarticle 16.A.(4)(f) will not be enforced to the extent prohibited by applicable law.

7. Under both subarticles 16.A.(2) and 16.A.(4) of the Franchise Agreement, the following is added:

Minnesota law provides a franchisee with certain termination rights. Minn. Stat. Sect. 80C.14 Subdivisions 3, 4, and 5 require, except in certain specified cases, that franchisee be given 90 days-notice of termination (with 60 days to cure) of this Agreement.

8. Article 18.F. of the Franchise Agreement, under the heading “Governing Law”, shall be amended by the addition of the following statement added to the end of the last sentence of Article 18.F.:

; except to the extent otherwise prohibited by applicable law with respect to claims arising under the Minnesota Franchise Act.

9. Article 18.G. of the Franchise Agreement, under the heading “Choice of Law, Non-Binding Mediation, Binding Arbitration, and Consent to Jurisdiction”, shall be amended by the addition of the following statement added to the end of the last sentence of Article 18.G. of the Franchise Agreement:

; except to the extent otherwise prohibited by applicable law with respect to claims arising under the Minnesota Franchise Act.

10. Article 18.K. of the Franchise Agreement, under the heading “Waiver of Jury Trial”, shall be supplemented by the addition of the following statement at the end of the sentence contained in Article 18.K. of the Franchise Agreement:

; except that nothing in this Agreement should be considered a waiver of any right conferred upon Franchisee by the Minnesota Franchise Act.

11. Article 18.I. of the Franchise Agreement, under the heading “Limitations of Claims,” shall be supplemented by the addition of the following statement:

Under the Minnesota Franchise Act, any claims between the parties must be commenced within three years of the occurrence of the facts giving rise to such claim, or such claim shall be barred.

12. Article 18 of the Franchise Agreement, under the heading “Enforcement and Construction,” shall be supplemented by the addition of the following new subarticle 18.Z. to the Franchise Agreement:

Any foregoing acknowledgments are not intended to nor shall they act as a release, estoppel or waiver or any liability under the Minnesota Franchise Act.

13. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Act are met independently without reference to this amendment.

14. 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.

IN WITNESS WHEREOF, the parties have duly executed and delivered this Minnesota State amendment to Surv Franchisor, LLC Franchise Agreement on the same date as the Franchise Agreement was executed.

**Franchisor:**  
Surv Franchisor, LLC

**Franchisee:**

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

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name and Title (please print)

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Dated



Franchise Disclosure Document  
**Exhibit I – Guarantee of Performance**

## GUARANTEE OF PERFORMANCE

For value received, Cornerstone Franchise Brands, LLC, a Delaware limited liability company (the “**Guarantor**”), located at 7870 East Kemper Road, Suite 400, Cincinnati, Ohio 45249, absolutely and unconditionally guarantees to assume the duties and obligations of Surv Franchisor, LLC, located at 7870 East Kemper Road, Suite 400, Cincinnati, Ohio 45249 (the “**Franchisor**”), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2025 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees, as amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Cincinnati, Ohio, on the 30<sup>th</sup> day of April, 2025.

Guarantor:

CORNERSTONE FRANCHISE BRANDS, LLC

By:   
Glee McAnanly  
Its President



Franchise Disclosure Document  
**Exhibit J** – State Effective Dates

## State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

<u>Effective Dates</u>	
California	Pending
Illinois	See separate FDD
Indiana	See separate FDD
Maryland	Pending
Michigan	See separate FDD
Minnesota	Pending
New York	See separate FDD
North Dakota	See separate FDD
Rhode Island	See separate FDD
South Dakota	See separate FDD
Virginia	See separate FDD
Washington	See separate FDD
Wisconsin	See separate FDD

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.



Franchise Disclosure Document  
**Exhibit K** - Receipts

Surv Franchisor, LLC  
**RECEIPT**

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all the agreements carefully.

If Surv Franchisor, LLC offers you a franchise, we must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate of ours in connection with the proposed franchise sale.

New York and Rhode Island require that we give you this document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreements or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this Disclosure Document at least 10 business days before the signing of any binding franchise or other agreement, or the payment of any consideration, whichever occurs first.

If Surv Franchisor, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the applicable state administrator identified in Exhibit A of this Disclosure Document. We authorize the respective state agencies identified in Exhibit B of this Disclosure Document to receive service of process for us in the particular state.

The Issuance Date of this Disclosure Document is: April 30, 2025

The franchise sellers for this offering are: Glee McAnanly having her principal business offices at 7870 East Kemper Road, Suite 400, Cincinnati, Ohio 45249, and a telephone number of 513-344-4900 or \_\_\_\_\_.

I received a Disclosure Document issued on April 30, 2025, that included the following exhibits:

A. List of State Administrators	G. List of Franchisees Who Have Left the System
B. List of Agents for Service of Process	H. State Specific Amendments
C. Operations Manual Table of Contents	I. Guarantee of Performance
D. Financial Statements	J. State Effective Dates
E. Franchise Agreement	K. Receipts
F. List of Franchisees	

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Print Name**

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Print Name**

\_\_\_\_\_  
**Signature**

**Please sign this copy of the receipt, date your signature, and return it to Surv Franchisor, LLC, 7870 East Kemper Road, Suite 400, Cincinnati, Ohio 45259.**

Surv Franchisor, LLC  
**RECEIPT**

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all the agreements carefully.

If Surv Franchisor, LLC offers you a franchise, we must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate of ours in connection with the proposed franchise sale.

New York and Rhode Island require that we give you this document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreements or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this Disclosure Document at least 10 business days before the signing of any binding franchise or other agreement, or the payment of any consideration, whichever occurs first.

If Surv Franchisor, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the applicable state administrator identified in Exhibit A of this Disclosure Document. We authorize the respective state agencies identified in Exhibit B of this Disclosure Document to receive service of process for us in the particular state.

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E. Franchise Agreement	K. Receipts
F. List of Franchisees	

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Signature

**Please sign this copy of the receipt, date your signature, and return it to Surv Franchisor, LLC, 7870 East Kemper Road, Suite 400, Cincinnati, Ohio 45259.**

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