

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 litigation only in Georgia. Out-of-state 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 Georgia 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.

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

ITEM 5 INITIAL FEES

The price for your franchise will be based on the number of Qualified Households in your Operating Territory. Your Initial Franchise Fee is \$40,700 for a territory which includes 30,000 qualified households. Starting in 2023, we have also offered franchises in mid-size markets, containing approximately 20,000 qualified households, for an initial franchise fee of \$27,000. Additional households may be purchased for \$1 for each additional Qualified Household in the territory. A "Qualified Household" is a household with an estimated household income sufficient to place it in the upper-middle to upper class in the Operating Territory, as we determine in our reasonable business judgment. Although those income levels can vary somewhat from market to Market, in general these will be households with an annual income in excess of \$100,000. We reserve the right to redefine the income level of a "qualified household." ~~The For franchises in Minnesota, the Initial Franchise Fee and all other initial payments, is fully due and payable upon execution once we have completed all of the Franchise Agreement. If you are unable to complete our initial training program (see Item 11 of this Disclosure Document) to our reasonable satisfaction, we will refund the initial franchise fee to you, less all reasonable expenses we actually incur in preparing the Franchise Agreement pre-opening obligations to you and all related agreements you sign, selecting the Operating Territory, granting you the Franchise rights, and providing you with training you have opened your franchised business.~~ There are no refunds under any other circumstances. The method we use to calculate the initial franchise fee is uniform for all franchises we offer through this Disclosure Document. We sold five new franchises in 2023 for \$47,497, \$47,829.50, \$39,500, \$39,500, \$65,700.

You must purchase your opening inventory, which we call your "Initial Package," from us. The cost for the Initial Package is \$4,600. This amount is not refundable under any circumstances.

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

~~In addition, when you sign your franchise agreement, you pay us a \$9,100 onboarding fee, which is for Boot Camp (5 days), On-Site Blastoff with Support Team Member (5 days), Sales Training with Crispin Cruz, Remote Support/Calls for marketing, operations, and software training.~~

We also require that you pay to us, ~~when you sign your franchise agreement~~ the sum of \$39,600. This represents \$3,000 per month for the first 12 months of operations, plus a \$3,600 management fee. For this payment, we manage your initial local advertising for the first year, except for \$1,000 per month that you will spend on local advertising and another \$500 per month that you are required to spend on advertising for employees.

The Onboarding and advertising fees are not refundable under any circumstances. For franchises in Minnesota, these and the initial package are due once we have completed our pre-opening obligations to you and you have opened your franchised business.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee ^(Note 1)	\$27,000 to \$40,700, depending on the size of the territory.	Lump Sum	<u>On Signing Franchise Agreement</u> <u>When we have completed our pre-opening obligations to you and you have opened your business</u>	Us
Real Estate/Office ^(Note 2)	\$1,000 - \$2,000	Monthly	Prior to Opening	Third Parties
Computer Equipment ^(Note 3)	\$1,000 - \$2,000	Lump Sum	As Incurred	Third Parties
Equipment, Fixtures, Other Fixed Assets Including Leasehold Improvements, Signs, Pre-Opening Expenses ^(Note 4)	\$1,500 - \$3,000	As Incurred	As Incurred	Third Parties
Opening Inventory ^(Note 5)	\$4,600	Lump Sum	<u>On Signing Franchise Agreement</u> <u>When you pay your initial franchise fee</u>	Us
Security Deposits and Other Prepaid Expenses ^(Note 6)	\$1,500 - \$2,000	As Incurred	As Incurred	Third Parties
Automobile ^(Note 7)	\$850	Monthly	Prior to Use	Third Parties

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Insurance and Bond ^(Note 8)	\$1,000 - \$2,000	Monthly	As Incurred	Third Parties
Training Expenses ^(Note 9)	\$2,000	Lump Sum	Prior to Opening	Third Parties
Opening Advertising ^(Note 10)	\$39,600 the first 12 months paid to us for digital consumer advertising, plus \$1,500 you spend on your own in the first year.	Lump Sum	As Incurred	\$39,600 is paid to us and the balance to third parties
Additional Funds – 3 Months ^(Note 11)	\$30,000 - \$40,000 for the first three (3) months	As Incurred	As Incurred	Third Parties
Onboarding Fee ^(Note 12)	\$9,100	Lump Sum	Prior to Opening When you pay your initial franchise fee	Us
MaidCentral Software ^(Note 13)	\$1,350 for the first three months plus one-time \$700 implementation fee	Lump Sum	As Incurred	Third Party
TOTAL ESTIMATED INITIAL INVESTMENT ^(Note 14)	\$120,300-\$149,000	As Incurred	As incurred	To us and to third parties

Explanatory Notes:

1. The franchise fee for a territory containing at least 20,000 qualified households is \$27,000. The franchise fee for a territory containing at least 30,000 qualified households is \$40,700. In addition, regardless of which size territory you purchase, you can buy more territory with additional qualified households at a price of \$1 per qualified household in the additional area. ~~The Franchise Fee is partially refundable. If you do not complete our training program to our reasonable satisfaction, we can terminate your Franchise Agreement and retain enough of your initial fees to cover our costs incurred in connection with your franchise, refunding the rest to you. The Franchise Fee is not refundable, once paid.~~ The refundability of payments you make to third parties is determined by your agreements with those parties and is not within our control.
2. You must establish and maintain an office which is located within your franchise territory and which is approved by our VP of Operations before a lease is signed. Our approval is required for the size, rent and location of your office. It is our intention to help you properly control your rent expense and assure that the space provides all elements required for operation of the business. The size of your office will vary, depending on the type of franchise

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

Explanatory Note:

1. The Blastoff Training occurs after Boot Camp training . We conduct the Blastoff Training at your office at mutually convenient times. We do not charge any additional fee for the Blastoff Training. You will also receive additional days of training and consultation within the first 6 months of your grand opening.

**ITEM 12
TERRITORY**

The franchise that we grant to you is to be operated out of a commercial office space that we will approve after you sign your franchise agreement. If you want to relocate your office, you may do so as long as the new office is within your Operating Territory, and we have approved the new location. You will have an ~~exclusive~~ territory (which we refer to as the “Operating Territory”). The number of qualified households in the Operating Territory will depend on the size of Franchise you purchase:

A “Qualified Household” is a household with an estimated household income sufficient to place it in the upper-middle to upper class in the Operating Territory, as we determine in our Reasonable Business Judgment. See Item 5 of this Disclosure Document.

You will be the only person we authorize to use our System, which includes our Marks, in the Operating Territory. We expect you to establish your office in the Operating Territory, although we do not dictate where in the Operating Territory you must locate your office, and to market, promote, and advertise your Franchise only in the Operating Territory. With the permission of Maid Brigade, you can serve customers reasonably located outside of the Territory, so long as they are not in the territory of any other franchisee, unless that franchisee consents. You will not be allowed to actively market to or advertise in an area outside the Operating Territory. If you service a customer outside of the Territory who is not in the territory of another franchisee, but we later include that territory in the Operating Territory of another franchisee, you have to give up that customer. We have the right to determine the reasonable transfer time of those customers from an existing office to a new office and that determination will be in the best interest of the customer. The geographic size of the Operating Territory will vary from the size of the Operating Territories of our other franchisees. In rural areas, an Operating Territory may consist of several counties, while in densely populated urban areas, an Operating Territory may be a town or city. In major cities, an Operating Territory may be only a portion of the city. Before you sign the Franchise Agreement, we will insert the geographic boundaries of the Operating Territory in Schedule A to the Franchise Agreement, or we will attach a map of the Operating Territory to Schedule A. We cannot alter the size of the Operating Territory without your written agreement. We will not shrink the size of the Operating Territory if the number of qualified households in it increases during the term of your Franchise Agreement. If the number of qualified households decreases

1. These charts include only franchisees that were part of our franchise system as of December 31, 2023. Franchisees who were terminated (mutually or unilaterally) or abandoned the system prior to December 31, 2023, are not included. If a franchise had multiple owners due to a transfer or sale and the franchise continued uninterrupted, the franchise is represented only once in the charts and its cumulative Gross Revenues are shown. *Gross Revenue is shown on an annual basis.* The chart contains no information regarding Company-owned businesses.
2. We obtained Gross Revenue information from our internal records based on franchisees reporting their Gross Revenues when they made royalty payments to us. All records we have are available for your review at our corporate headquarters. Gross Revenue information used to compile this chart has not been audited.
- ~~3. Other factors besides the number of operating territories of a franchisee may affect a franchisee's annual Gross Revenues and thus explain why some franchisees have a higher annual Gross Revenue than others. Those factors include: (i) the skill and experience of the franchisee; (ii) the effort the franchisee devotes to his or her franchised business; (iii) the franchisee's business acumen; (iv) whether the operating territory is in a rural versus an urban setting; (v) prices charged by the franchisee for products and services; (vi) the number of maid teams used by the franchisee; (vii) the amount of advertising and promotional expenditures undertaken by the franchisee; (viii) general economic conditions; and (ix) the growth or shrinkage of the population in the operating territory.~~

Except as set out above, 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 our President, Raychel Leong Sullins, at 770-551-9630, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE 1

SYSTEM WIDE OUTLET SUMMARY

FOR FISCAL YEARS 2021 TO 2023

<u>Outlet Type</u>	<u>Year</u>	<u>Outlets at the Start of the Year</u>	<u>Outlets as the End of the Year</u>	<u>Net Change</u>
Franchised	2021	333	325	-8
	2022	325	317	-8

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

4.9 Maid Brigade Convention/leadership summit. We view conventions as a time for franchisees to receive additional training and support that will be valuable in keeping up with the current standards of Maid Brigade and staying in compliance with our Standards of Operation. The registration fee varies, but must be paid to us each convention. Attendance at each convention is mandatory. Failure to physically attend convention during workshop and meeting days will result in a \$500 fine.

5. OPERATING STANDARDS AND SERVICES

5.1 Services. You will offer to the public a complete, professional residential and light commercial cleaning service that will include all services, and only those services, we authorize and modify from time to time.

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

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

5.4 Standards of Service. You and your employees will at all times give prompt, courteous, and efficient service to customers of the Franchised Business. In all dealings with customers, suppliers, and the public, you and your employees will adhere to the highest standards of honesty, integrity, fair dealing, and ethical conduct. All your advertising and promotion of the Franchised Business and its services will be in strict compliance with the standards we establish, will be completely factual, and will conform to the highest standards of ethical advertising. You agree to refrain from any business or advertising practice that may be injurious to the goodwill associated with other Maid Brigade franchises or the System, including the Marks. You agree that you will not deviate from the standards we set for the

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

7.2 Customer Names. You agree that any and all customer lists, and their contents, are our property whether supplied by us or not. You agree that you will not use the customer lists for any purpose other than in relation to the Franchised Business. You will, on demand, promptly deliver to us a complete list of customers including all information we may request related to such customers. You acknowledge that you may be required to provide the list via electronic transfer or computer disk.

8. INITIAL FRANCHISE FEE, TERRITORY FEE AND INITIAL PACKAGE

8.1 Initial Franchise Fee . You will pay us, ~~in full, on the delivery of this Agreement,~~ a non-recurring initial franchise fee (the “Initial Franchise Fee”). For franchises in Minnesota, this fee is due when we have completed our pre-opening obligations to you and you have opened your franchised business. The amount of the Initial Franchise Fee depends on the size of the Operating Territory you are purchasing, either a fee of Twenty-Seven Thousand dollars (\$27,000) for an Operating Territory of at least 20,000 Qualified Households, or Forty Thousand Seven Hundred dollars (\$40,700) for a territory which includes at least 30,000 Qualified Households. The Initial Franchise Fee is fully-earned when you pay it and is non-refundable, ~~except as set forth in Section 14.2 of this Agreement.~~ If your territory includes more than 20,000 or 30,000 qualified households, depending on which size territory you have purchased, your Initial Franchise Fee increases by \$1 for each additional qualified household. The amount of your Initial Franchise Fee is set forth in Schedule A to this Agreement.

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

9. ROYALTY

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

When you sign pay your initial franchise agreement fee, we require you to pay us the sum of \$39,600, which represents \$3,000 per month for your local customer advertising for your first year of operation, plus a \$3,600 management fee for us to manage the advertising with you. This leaves \$1,000 per month of customer advertising and \$500 of employee advertising that you will manage during the initial year, providing us each month with proof of the method and amount of your expenditures. After the first year of operation, you will be responsible for the expenditure of the entire \$4,000 of customer advertising and \$500 of employee advertising.

We encourage you to participate in a local or regional advertising cooperative, to place your local advertising in a collaborative effort with other Maid Brigade franchisees. Any amount that you contribute to a cooperative counts against the advertising requirement described in this paragraph. You must provide us with monthly reports documenting your advertising expenditures, to include Profit and Loss Statements and other documentation as requested, that we may verify you are fulfilling your local advertising requirement. If you spend more on local advertising, you may not use the excess as an offset against advertising fees you pay to the Advertising Fund. Your first three (3) years advertising planner must be approved by the Franchisor. All such local advertising will be completely factual and will comply with our guidelines. At our option, we may require you to submit all advertising material to us for our approval or disapproval at least two (2) weeks prior to publication. If disapproved, we will notify you in writing within two (2) weeks following the receipt of your material. You may not create a website for the Franchised Business. We provide, through our own consumer Web site, for each franchisee to have their own personalized Web pages. You acknowledge that our consumer Web site (www.maidbrigade.com) is an advertising vehicle and that you are required to fully utilize all of its capabilities.

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

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

11. RECORDS AND REPORTING

11.1 Bookkeeping, Accounting and Records. You can employ a qualified bookkeeping service to maintain a bookkeeping, accounting, and payroll system for the Franchised Business. However, you are permitted to manage the accounting, bookkeeping and payroll on your own. You will keep all of your financial and business records at the business premises throughout the Term, and thereafter will keep us advised of their location. If you choose to manage your own accounting, and bookkeeping, we recommend using QuickBooks Software.

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

(a) A report of the Gross Revenue, as defined in Section 9.2 above, for the preceding week. The report must be transmitted via electronic mail ("e-mail") so we receive it by the Thursday of each

use one or more additional or substitute Marks, you agree to do so, and our sole obligation in any such event will be to reimburse you for your reasonable out-of-pocket costs of complying with this obligation excluding, without limitation, any expenditures relating to advertising or promotional material, and compensation for goodwill, related to the discontinued Marks.

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

14. TERMINATION OF FRANCHISE

14.1 By You. If you are in substantial compliance with this Agreement and we breach this Agreement and do not correct such breach within thirty (30) days after we receive written notice describing such breach, or if such breach cannot be cured within a thirty (30) day period and we do not undertake diligently to attempt to cure the breach within the cure period and continue to do so thereafter until the breach is cured, then you may terminate this Agreement effective ten (10) days after we receive your written notice of termination. Your termination of this Agreement except in accordance with this Section 14.1 will be deemed to be a termination without cause and a breach of this Agreement by you.

~~14.2 By Us: Partial Return of Initial Franchise Fee and Territory Fee. In the event that:~~

~~(a) You do not commence operating the Franchised Business as required in Section 3 above;~~

~~or,~~

~~(b) We, in our Reasonable Business Judgment, determine that you are unable to complete satisfactorily the Pre-Opening Training or Blastoff Training, as required in Section 4 above; then we may terminate this Agreement, effective immediately on delivery to you of written notice of termination. In the event of such termination and on delivery to us of all releases, waivers, and other instruments we require to effect the termination of this Agreement and all other related agreements and to settle all purchases and other transactions, we will refund to you the Initial Franchise Fee and Territory Fee, less all reasonable expenses we actually incurred in connection with: (i) the preparation of this Agreement for your execution including, but not limited to, reasonable attorneys' fees and costs; (ii) the selection of the Operating Territory; (iii) the granting of the Franchise; and (iv) training you.~~

14.2 Reserved

14.3 By Us: No Refund of Initial Franchise Fee. This Agreement will terminate at the expiration of the Term unless renewed in accordance with Section 1 hereof. We may terminate this Agreement without notice, without any refund of the Initial Franchise Fee or any other fees paid under this