

## FRANCHISE DISCLOSURE DOCUMENT

MB Franchise Holdings, Inc., Georgia Corporation

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Atlanta, Georgia 30328

(770) 551-9630

[www.maidbrigade.com](http://www.maidbrigade.com)

rsullins@maidbrigade.net



The franchisee will operate a business that provides supervised team cleaning services to home and light commercial cleanings and offers proprietary and other household products for sale using the trade name "MAID BRIGADE®."

The total investment necessary to begin operation of a Maid Brigade franchise business is between \$120,300 - \$149,000. This includes \$80,300 to \$94,000 that must be paid to the franchisor and its affiliates. To the extent that a territory is larger than 30,000 qualified households, an additional \$1 for each additional qualified household in your territory is added to your initial franchise fee.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in a different format, contact Raychel Sullins at Four Concourse Parkway, Suite 200, Atlanta Georgia 30328 or at (770) 551-9630 or rsullins@maidbrigade.net.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, N.W. Washington DC 20580. You can also visit the FTC's home page at [www.FTC.gov](http://www.FTC.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising. There may also be laws on franchising in your state. Ask your state agencies about them.

THE ISSUE DATE OF THIS DISCLOSURE DOCUMENT IS October 31, 2024.

## How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
<b>How much can I earn?</b>	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit E.
<b>How much will I need to invest?</b>	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor’s direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or Exhibit D includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only Maid Brigade business in my area?</b>	Item 12 and the “territory” provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What’s it like to be a Maid Brigade franchisee?</b>	Item 20 or Exhibit E lists current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

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

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

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

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

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

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

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

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

### Some States Require Registration

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

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

## Special Risks to Consider About This *Franchise*

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by 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.

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

INFORMATION FOR RESIDENTS OF THE STATE OF MICHIGAN

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**The Franchisor**

The franchisor is MB Franchise Holdings, Inc. This Disclosure Document refers to MB Franchise Holdings, Inc. as “we,” “us,” or the “Company.” We refer to the person who buys a franchise from us as “you.” You and we will enter into a Franchise Agreement (Exhibit B to this Disclosure Document). You may assign the Franchise Agreement to a privately held corporation, partnership, or other entity by signing the Corporate Assignment Agreement (Exhibit C to this Disclosure Document). If you do so, “you” also includes your corporation, partnership, or other entity. We have no parent company or affiliates. We have one Predecessor, Maid Brigade, Inc., a Delaware corporation

We are a Georgia corporation incorporated on May 19, 2020. When we were incorporated, we were a wholly owned subsidiary of Maid Brigade, Inc., which was a Delaware corporation, incorporated on February 8, 1982 and is our Predecessor. Our Predecessor founded the Maid Brigade franchise system and served as the franchisor of that system since its formation. We were formed to own two limited liability companies, which owned and operated two Maid Brigade home cleaning businesses, one in Florida and the other in Tennessee. On September 30, 2024, we merged with our Predecessor, and we are the surviving entity and now serve as the franchisor of the entire Maid Brigade franchise system. Our principal business address is Four Concourse Parkway, Suite 200, Atlanta, Georgia 30328. Our telephone number is (770) 551-9630. We do business only under the name “Maid Brigade®.”

We list our agents for service of process in Exhibit A.

**Our Business**

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

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

You will operate the business under our Franchise Agreement. We refer to the right to operate under our Franchise Agreement, to use our Marks and other intellectual property, and to receive the other benefits we list above, as the Maid Brigade “System.” We refer to the business you operate under the Maid Brigade System as the “Franchise” or the “Franchised Business.”

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

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

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

### **Our Franchise Experience**

Don Hay, our Chairman, has operated a number of household and commercial cleaning businesses in the United States and Canada. Our Predecessor began offering franchises in June 1984. . We have no other business activities and have not offered franchises in any other line of business.

### **Competition**

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

### **Regulatory Matters**

We are not aware of any regulations specific to the operation of a Maid Brigade franchise. However, you must comply with all laws that apply to business in general. We strongly encourage you to investigate these laws and their possible effect on the Franchised Business.

## **ITEM 2 BUSINESS EXPERIENCE**

### **Chairman: Donald Maxwell Hay**

Mr. Hay has been the Chairman of our predecessor since it was incorporated in 1982. He acted as President and Chief Executive Officer until July 2005. He has served as our Chairman since we were incorporated in 2020.

### **Co-founder and Secretary: Bart Puett**

Mr. Puett was President of our predecessor from July 2005 to January 2020. Mr. Puett acted as Vice President from March 1993 to 2005 and Chief Operating Officer from 2001 to 2005. From 1984 until February 1993, he was our Director of Franchise Services. He has served as our corporate Secretary since we were incorporated in 2020.

**President: Raychel Leong-Sullins**

Ms. Leong-Sullins joined our predecessor in August of 1999 and became its President in January 2020. She became the Director of MIS in 2003 and she also served as Vice President of Operations for our predecessor's Maid Simple House Cleaning concept. She has served as our President since we were incorporated in 2020.

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

Mr. Lazarovitz has served as our predecessor's Vice-President of Franchise Recruitment since November 2012. From July 2006 to present, he also has served as the co-founder and manager of International Franchise Services. He has served as our Vice President of Franchise Recruitment since our merger with our predecessor.

**Vice President of Operations: Greg Nicklas**

Mr. Nicklas began working with the Maid Brigade franchisee in Portland Oregon in June of 2002. In March, 2003, he began running the day to day operations as an Office Manager. In August, 2007, he became the General Manager of that business. In October of 2017, he took a position with the Operations Department at our predecessor and on July 1<sup>st</sup>, 2019, he took over the full-time position as the Vice President of Operations. He has served in that same capacity for us since our formation in 2020.

**Vice President of Company Owned Stores: Michael Vinson**

Michael joined our predecessor in October 2008, serving as our Technology Manager until January of 2013, when he became Director of Technology. He served in that role until February 2021, when he became Vice President of Company owned locations, which consisted of two locations, He serves in that same capacity with us since our merger with our predecessor.

**Vice President of Marketing: TJ Liles**

TJ joined Maid Brigade in January of 2014 as the Digital Marketing Director. He became the VP of Marketing in January 2022. He serves in that same capacity with us, since we were incorporated in 2020

In addition to franchise brokers, we have a policy of paying a referral fee to any of our franchisees and their clients who refer someone who signs a Franchise Agreement.

**ITEM 3  
LITIGATION**

No litigation is required to be disclosed in this Disclosure Document. See Addendum to this Disclosure Document for additional disclosure required by the State of California.

**ITEM 4  
BANKRUPTCY**

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

## **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 Initial Franchise Fee is fully due and payable upon execution 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 and all related agreements you sign, selecting the Operating Territory, granting you the Franchise rights, and providing you with training. 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.

**ITEM 6  
OTHER FEES**

<b>Type of Fee</b> <small>(Note 1)</small>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Royalty	6.9% of gross revenues, subject to reduction for higher volume and subject to weekly minimums	Weekly (each Thursday for the preceding week's Gross Revenue)	The minimum royalty ranges between \$200 to \$750 per week, starting a year after you open and varying with the size of your territory, with the larger population territories paying the higher minimum, all as shown in Note 2 below.
Ad Fund Contributions	2% of Weekly Gross Revenue	Weekly (each Thursday for the preceding week's Gross Revenue)	You pay this fee to our advertising fund. We control the advertising fund. See Item 11 of this Disclosure Document.
Local Client Advertising	A minimum of \$4,000 a month	Monthly	(Note 3)
Local Employee Advertising	\$500 per month	Monthly	(Note 4)
Transfer Fee	The then current fee. Presently, our combined Transfer and Training fee is \$9,500	Upon transfer	We give the transferee pre-opening and Home Office training (Note 5)
Renewal	Approximately \$1,000	As incurred	The intent is to allow us to recover our costs (Note 6)
Audit	\$7,500	On receipt of invoice	You pay this fee only if you fail to provide required reports or if you understate your Gross Revenue for any weekly or monthly period
Proprietary Items	Varies under circumstances	As incurred	Includes items like uniforms and certain cleaning supplies. See Item 8 of this Disclosure Document
Services We Provide to Your Customers	Varies under circumstances	As incurred	(Note 7)
Management Fee	Varies under circumstances but generally between 5%-10% of revenue earned during the period that we manage your business	As incurred	If you abandon the Franchise and we operate it until you return, you must reimburse us for our reasonable expenses and pay a reasonable management fee

Type of Fee <sup>(Note 1)</sup>	Amount	Due Date	Remarks
Additional Assistance	Varies under circumstances but approximately \$400 per day	On receipt of invoice	We charge a daily fee plus expenses for assistance we provide at your request
Interest on Late Payments	The lesser of 2% over our bank's prime loan rate or the maximum amount permitted by law. The highest interest rate allowed by law in California for late payments is 10% per year.	On receipt of invoice	Interest begins from the date of non-payment. Owed for all overdue sums
Late Fees on Late Payments	10% of amount past due	On receipt of invoice	The late charge covers our administrative and collection costs
Indemnification	Varies under circumstances	As incurred	You must reimburse us for losses from claims, damage, or lawsuits arising from your operation of the Franchised Business
Costs and Attorneys' Fees	Varies under circumstances	As incurred	You pay these fees only if you breach the Franchise Agreement or if there are other claims related to our relationship
Insurance	Varies under circumstances	On receipt of invoice	You must reimburse us if we purchase insurance for you because you failed to do so
Technology Fee	\$18.00 per week	Weekly	This fee may be used for, but is not limited to development, upgrades, support, error corrections and operational assistance and is subject to change based upon technology updates.
Convention	Varies: Currently \$180 ea. per attendee	Prior to convention	(Note 9)
Testing New Suppliers or Items	No charge	N/A	We will not charge you a fee for any reasonable examination or testing related to the new item or supplier
Additional Households	\$1 for each additional Qualified household purchased	When purchased	If you add additional qualified households to your territory. You pay us \$1 for each household purchased.

Type of Fee <sup>(Note 1)</sup>	Amount	Due Date	Remarks
Onboarding	\$9,100	Paid to us when you sign your franchise agreement	

Explanatory Notes:

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

For the Part of the Annualized Amount of Your Weekly Gross Revenue That Is:	Your Royalty Percentage for the Week Is:
Less than \$300,000	6.9%
\$300,000 to \$699,999	6%
\$700,000 to \$899,999.99	5%
\$900,000 to \$1,499,999	4.5%
\$1.5MM to \$1,999,999	4%
\$2MM	3.5%

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

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

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

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

3. You will spend a minimum of \$4,000 a month on local customer advertising and \$500 per month on employee advertising. You are required to spend at least the minimum but may choose to spend more, at your option. You will be required to provide us with proof of the method and amount of your expenditures. When you sign your Franchise Agreement, you will pay us a total of \$39,600, which is \$3,000 per month for the first twelve months of operations for your local advertising, plus a \$3,600 management fee for our management of the advertising money. You will be responsible for spending the other \$1,000 per month during that 12 month period, plus the \$500 per month for employee advertising.
4. You will pay the local employee advertising fee to local advertisers, not us. This money is spent to find employees for your business.
5. This figure is an estimate only. The transfer fee allows us to recover our reasonable costs for completing the transfer, like attorneys' fees, the cost of investigating the transferee's qualifications, testing the transferee's suitability, conducting a Discovery Day, training costs, sales staff compensation and out-of-pocket expenses.
6. This figure is an estimate only. The renewal fee allows us to recover our reasonable costs for renewing your Franchise, like attorneys' fees to prepare the new franchise agreement and the general release, and administrative expenses related to, among other things, the paperwork for your renewal.
7. You must guarantee your services to your customers. If we believe we must respond to a complaint by your customer, and we enter the customer's home and inspect or correct your work, you must reimburse us for the costs we incur in doing so.
8. All new franchisees will be required to use Maid Central, a third party software, for the customer relationship management, operations, and reporting.
9. Attendance at our convention/leadership summit is mandatory. Failure to physically attend convention/the summit during workshop and meeting days will result in a \$500 non-attendance fee. Currently, we provide educational workshops and speakers. You are responsible for your own travel and lodging expenses. We decide the site for the event, and we try to select a location that those who attend will enjoy; in the past, we have held our events in Las Vegas, Orlando, Puerto Vallarta, and 26 other locations.

**ITEM 7**

**ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT**

<b>Type of Expenditure</b>	<b>Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment Is To Be Made</b>
Initial Franchise Fee <sup>(Note 1)</sup>	\$27,000 to \$40,700, depending on the size of the territory.	Lump Sum	On Signing Franchise Agreement	Us
Real Estate/Office <sup>(Note 2)</sup>	\$1,000 - \$2,000	Monthly	Prior to Opening	Third Parties
Computer Equipment <sup>(Note 3)</sup>	\$1,000 - \$2,000	Lump Sum	As Incurred	Third Parties
Equipment, Fixtures, Other Fixed Assets Including Leasehold Improvements, Signs, Pre-Opening Expenses <sup>(Note 4)</sup>	\$1,500 - \$3,000	As Incurred	As Incurred	Third Parties
Opening Inventory <sup>(Note 5)</sup>	\$4,600	Lump Sum	On Signing Franchise Agreement	Us
Security Deposits and Other Prepaid Expenses <sup>(Note 6)</sup>	\$1,500 - \$2,000	As Incurred	As Incurred	Third Parties
Automobile <sup>(Note 7)</sup>	\$850	Monthly	Prior to Use	Third Parties
Insurance and Bond <sup>(Note 8)</sup>	\$1,000 - \$2,000	Monthly	As Incurred	Third Parties
Training Expenses <sup>(Note 9)</sup>	\$2,000	Lump Sum	Prior to Opening	Third Parties
Opening Advertising <sup>(Note 10)</sup>	\$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

<b>Type of Expenditure</b>	<b>Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment Is To Be Made</b>
Additional Funds – 3 Months <sup>(Note 11)</sup>	\$30,000 - \$40,000 for the first three (3) months	As Incurred	As Incurred	Third Parties
Onboarding Fee <sup>(Note 12)</sup>	\$9,100	Lump Sum	Prior to Opening	Us
MaidCentral Software <sup>(Note 13)</sup>	\$1,350 for the first three months plus one-time \$700 implementation fee	Lump Sum	As Incurred	Third Party
<b>TOTAL ESTIMATED INITIAL INVESTMENT</b> <sup>(Note 14)</sup>	<b>\$120,300-\$149,000</b>	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 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 you purchase, ranging from a 400sq foot office for a territory with at least 30,000 Qualified Households to 900 square feet for a territory with over 40,000 Qualified Households.
3. This estimate includes a connection charge to a high speed Internet provider. We will give you a list of computer equipment you will need to operate MaidCentral, and other tools provided as part of our Total Management Software package. You do not purchase the computer equipment from us. The cost of the equipment you purchase will vary depending on the amount of equipment you buy, the supplier you choose, general economic conditions, your geographic location, and your persistence in obtaining the best prices available. You must have Internet access and email.
4. Your costs will vary depending on the size, configuration, and condition of the furniture, supplies, signs, and fixtures you select and the location of your office.
5. This represents your Initial Package. Please note, included within your Initial Package is an electrostatic charger, a fogger and initial equipment. Once your franchised business reaches a sales level of \$9,000 a week in revenue, you will be required to purchase a larger e-water generator to keep up with demand. The cost for this generator ranges from \$8,500 - \$12,500 and you purchase that from a third party that we designate.

6. Your landlord will generally require you to pay the first and last months' rent as a deposit. Utility companies and rental agencies will probably require you to pay deposits and prepaid expenses, including prepaid expenses relating to furniture, fixtures, or equipment you may lease.
7. You must use clean, relatively new automobiles for business transportation. The estimate includes the cost of the car wrap, but does not include ongoing gas and maintenance expenses, which you must normally pay on a monthly basis. If you purchase the automobile(s) you use, your initial investment will be significantly greater than the table shows. We require that your vehicles display our proprietary car "wrap," that we specify from time to time. Our approved vendors may include the cost of the wrap in the lease or purchase price of the vehicle.
8. The figures shown in the tables cover premiums for the insurance you must maintain and the costs you are likely to incur in obtaining a blanket fidelity bond in the amount of \$10,000 for each employee.
9. Franchise training is included in your initial investment. Training typically consists of Pre-Opening Training, Boot Camp Training and Blastoff Training. See Item 11 of this Disclosure Document.
10. You will spend a minimum of \$4,000 per month on local customer advertising and \$500 per month on employee advertising. You are required to spend at least the minimum but may choose to spend more, at your option. You will be required to provide us with proof of the method and amount of your expenditures. You will pay us \$39,600 upon signing your franchise agreement, which will be applied against your local obligation and used in the following manner: An average of \$3,000 a month will be spent on digital marketing for approximately twelve consecutive months. Depending on your market, the monthly spend may fluctuate, any amount not spent in a month will roll over to the next; conversely, if more funds are needed to maximize your lead flow, we may spend more than \$3,000 a month. We will discuss the options with you if your market's optimal spend is consistently higher than \$3,000 a month. There is a \$3,600 management fee included in the amount collected – this equates to a pre-paid amount of 10% per month for the first twelve months. You will use Maid Brigade Digital Services for the first year in business. There are no refunds for the initial marketing funds collected. During the first year of operations, you will be responsible for spending the balance of \$1,000 per month on local advertising, plus the \$500 employee advertising obligation. The Digital Services fee is discounted to 10% in the first year, the standard charge of 20% will apply month 13 onwards.
11. Working capital covers the initial expenses you are likely to incur while you establish the Franchise, and those you are likely to incur between the time you begin providing services and the time you begin receiving payments from customers. These expenses include costs related to performing background checks, hiring employees, initial employee wages, and purchasing other goods and services. Your expenditures will depend on factors like your business skills and experience, general and local economic conditions, competition, the prevailing wage rate, the amount of services you provide during the initial period, how well the business is performing, and the number of hours you are willing to invest in the Franchise. These expenses do not include any draw or salary for the owners of the Franchise, but they do include additional office support services you may need. The estimates in the table reflect an initial startup period of three months, but we will not offer you a franchise unless you have working capital of \$95,000 to \$110,000, to cover your \$4,000 monthly advertising requirement and other expenses in your initial year of operation. The \$95,000 to \$110,000 includes the \$30,000 to \$40,000 shown in the table for the first three months.
12. The \$9,100 onboarding fee includes the following: Boot Camp (5 days), On-Site Blastoff with Support Team Member (5 days), Sales Training with Crispin Cruz, Remote Support/Calls for marketing, and operations.. The Boot Camp and Sales Training are required and must be completed prior to opening your location.

13. MaidCentral's current pricing is a minimum of \$450 per month with a one-time \$700 implementation fee. The pricing is dynamic and is based on the actual number of visits completed. Pricing can be found at the MaidCentral website.
14. In compiling this chart, we relied on our experience in the operation of home cleaning services and information our franchisees gave us. The amounts shown are estimates only and may vary for many reasons. You should review these estimates carefully with a business advisor before you make any decision to purchase a Franchise. Note that the total does not include any additional amount you would pay us to the extent that you purchase a territory containing Qualified Households in excess of 30,000, Each additional Qualified Household costs an additional \$1 in your Initial Franchise Fee. We do not offer direct or indirect financing to you for any of these expenses. Many of the expenses listed are not within our control and are determined more by general and local economic conditions than our actions. A bank or other lending institution may finance all or a part of your investment on terms we cannot estimate. The availability and terms of financing will depend on factors like the availability of financing, your creditworthiness, collateral you may have, lending policies of your financial institution, and local economic conditions.

## **ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

We and our franchisees have an interest in ensuring the proper marketing and promotion of Maid Brigade products and services and in protecting the trademark, brand, quality and integrity of the Maid Brigade System. To protect our common interests, we require you to purchase certain products and services from us, from our designees, from suppliers or distributors we approve, or under our specifications.

You must purchase your Initial Package from us. The Initial Package includes your initial inventory of equipment and supplies. You must use MaidCentral software which is a third-party product. We estimate that the required purchases described above are 7% of the cost to establish your franchised business and less than 1% of operating expenses.

There are no approved suppliers in which any of our officers owns an interest.

Except as shown above, we do not require you to purchase or lease any goods, services, supplies, fixtures, equipment, inventory, computer software, or real estate from us or our designated suppliers. We do require that these items and suppliers meet certain specifications we have developed as part of the Maid Brigade System. The System regulates the types of services you offer, and provides specifications for the uniforms you and your employees wear, and the types of cleaning chemicals, supplies, equipment, office supplies, and miscellaneous materials you use in operating the Franchised Business. If an item meets our strict specifications, we may consider any supplier that meets our requirements to be an approved supplier.

We base our specifications for products and suppliers on our experience and best judgment as to how to enhance your business and profits. We evaluate the suppliers we approve for quality of products, reputation in the industry, and standards by which they conduct business. Specifications are likely to change periodically during the term of your Franchise Agreement. We have no formal procedures for formulating or modifying our specifications, except that we do so based on what we believe is best for the System.

We recommend certain suppliers, including a solutions supplier that can provide you with products at favorable prices. Under our arrangement with the solutions supplier, you may order products through an 800 number.

The Confidential Operations Manual, which we publish on our private website, contains the Standard Operating Procedures, specifications and requirements of the Maid Brigade System. If we establish a system of approved suppliers, we will notify you of their names and addresses by a modification to the Confidential Operations Manual. To assist you, we will sell many of these items directly to you. Many of our franchisees find it more convenient to purchase these items from us. Except as noted below, we receive no revenue from your purchases of supplies, equipment, or inventory from sources we approve. We have no purchasing or distribution cooperatives.

If you want to use any items that an approved supplier does not provide or that do not meet our specifications, you must first notify us and then submit sufficient specifications, photographs, and other information or samples of the items to us. We will examine and test them to determine whether we will approve the supplier or item. We will not charge you a fee to perform any reasonable examination and testing. We will communicate our decision to you within a reasonable time, which is generally 2 weeks. We may condition our approval of a supplier or item on the supplier or item meeting certain requirements like product delivery, quality, and customer satisfaction. We may terminate any approved supplier or item at our discretion. If we terminate a supplier or item, we will notify you as soon as possible.

We have approved Pronexis as the preferred lead handling solution for franchise locations that require assistance with sales calls or web leads. This is something that is offered, but not required by us.

In the fiscal year ended December 31, 2023, our predecessor's total revenue was \$3,982,635 (which is consolidated with our revenue, as we were then a wholly owned subsidiary of our predecessor.) Revenue from tech support fees for the MicroMaid and MaidSmart software was \$123,694. The total of the software fees represents approximately 3.1% of our consolidated total revenue in 2023. We have no affiliates who derived any income from any purchases or leases by our franchisees.

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

The current suggested **minimum** computer specifications are: current version of Windows Professional operating system, a current generation i5 Intel processor, 8 GB RAM, Gigabit Network Card (NIC), Network switch that is Gigabit compatible, 500 Mb, 7200 RPM hard disk drive or 256 Mb SSD drive, current version of Microsoft Office (Word, Excel, PowerPoint, Outlook), antivirus software (including email protection), firewall - software and hardware (if applicable), and local and remote backup methods, e.g. local backup and remote internet based backup facility. You will

also need a 20" widescreen HD color monitor, uninterruptible power supply (UPS), color printer, and a 25 Mbps broadband internet connection.

We must approve all advertising, promotional, and marketing materials before you use them. Although we have 30 days to complete our review, we normally approve or disapprove advertising material within a shorter period of time.

**ITEM 9  
FRANCHISEE'S OBLIGATIONS**

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

<b>Obligation</b>	<b>Section in Agreement</b>	<b>Disclosure Document Item</b>
a. Site selection and acquisition/lease	Section 3	Item 11
b. Pre-opening purchases/leases	Section 5.2	Items 5 and 8
c. Site development and other pre-opening requirements	Sections 4.2 and 4.7	Item 11
d. Initial and ongoing training	Sections 4.1 and 4.3	Items 6, 7, and 11
e. Opening	Section 3	None
f. Fees	Sections 4.8, 8, 9, and 18.9	Items 5, 6, and 11
g. Compliance with standards and policies/ Confidential Operations Manuals	Sections 4.5, 5, 7, 10, and 13	Items 8, 11, and 16
h. Trademarks and proprietary information	Sections 4.5, 4.8, 7, and 13	Items 13 and 14
i. Restrictions on products/services offered	Section 5	Item 16
j. Warranty and customer service requirements	Sections 5.1 and 5.3	Item 11
k. Territorial development and sales quotas	Section 2	Item 12
l. Ongoing product/service purchases	Sections 5.2, 5.3, and 5.4	Items 6 and 8
m. Maintenance, appearance and remodeling requirements	Not applicable	Not applicable
n. Insurance	Section 6.1	Items 6 and 7
o. Advertising	Section 10	Items 6, 7, and 11

<b>Obligation</b>	<b>Section in Agreement</b>	<b>Disclosure Document Item</b>
p. Indemnification	Section 17.2	Item 6
q. Owner's participation/management/staffing	Sections 4.3 and 5	Item 15
r. Records and reports	Section 11	Item 6
s. Inspections and audits	Section 12	Item 6
t. Transfer	Section 16	Items 6 and 17
u. Renewal	Section 1.2	Item 17
v. Post-termination obligations	Section 15	Item 17
w. Non-competition covenants	Sections 5.6 and 15.5	Item 15
x. Dispute resolution	Sections 18.1 and 18.17	Item 17

**ITEM 10  
FINANCING**

We do not offer direct or indirect financing. We do not guaranty your note, lease or obligation. Upon request, we can refer qualified candidates to third party companies that may be able to help with financing. We are not affiliated with these lenders legally or financially.

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

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

Services Before Operation

Before you open the Franchised Business, we will:

- (1) Meet with you and come to an agreement about the size and location of the Operating Territory for the Franchise. (Franchise Agreement, Section 2).
- (2) Assign a Start-Up Team to help you with Pre-Opening Training and to help you: (i) select a location for your office as described further in this Item 11; (ii) establish a business plan for your first year; (iii) establish your plans for opening the Franchised Business; and (iv) prepare for your training. (Franchise Agreement, Section 4.1b)
- (3) Provide you with training that will include telephone, web based, and training at locations that we designate in the operation of a Maid Brigade Franchise (Franchise Agreement, Section 4.1). We describe our training program more fully below in this Item 11.

(4) Arrange a visit (travel and lodging at your own expense) to an existing franchise location, of the franchisor's choosing, to participate in and learn the practical application of business practices and procedures of the business. (Franchise Agreement, Section 4.1)

(5) Provide you with your Initial Package. (Franchise Agreement, Section 4.7)

(6) Grant you access to our library of manuals that are on our private site. The library of manuals includes the Confidential Operations Manual and other confidential and proprietary materials containing specifications, operating, safety, and marketing procedures we prescribe. We update these materials to meet the needs of the Maid Brigade System. We publish all manuals, or updates to them, on our private website. On termination of the Franchise Agreement for any reason, you must immediately return all hard copies of the manuals and all other proprietary materials to us. (Franchise Agreement, Section 4.5). You must keep the manuals up-to-date with replacement pages and inserts, and you must protect the confidentiality of the manuals. The table of contents of our Confidential Operations Manual as of the end of our last fiscal year is attached to this Disclosure Document as Exhibit G. Our Confidential Operations Manual contains a total of 234 pages.

(7) Grant you a license to use the Vision reporting system and other tools that comprise our Total Management Software Solution (Franchise Agreement, Section 4.8). The software and the computer equipment you will need are described below in this Item 11.

#### Services During Operation

During the operation of your Franchised Business, we will:

(1) Provide you with a toll-free number for telephone support and email support by our experienced staff and trainers in all aspects of the Franchised Business, including planning, hiring and training, marketing and promotion, insurance, telephone service, bookkeeping, and computer hardware and software. (Franchise Agreement, Section 4.4).

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

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

(4) Provide you with operating assistance by dedicating a support person to you, who will: (i) explain procedures for purchasing and using the supplies, equipment, forms, and materials you will use in operating the Franchised Business; (ii) help you design and implement advertising and promotional programs; and (iii) help you establish procedures for the proper operation of the Franchised Business. We provide support to you regarding personnel matters, our methods in scheduling cleaning teams, marketing to new customers, evaluating the quality of the services you and your employees provide, and other matters that will help you expand the Franchised Business. (Franchise Agreement, Section 4.4).

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

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

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

(8) Indemnify you against damages for which you are held liable arising out of: (i) your proper use of the Marks we license to you under the Franchise Agreement; (ii) false representations or warranties we make; and (iii) our wrongful acts, whether negligent or willful. To take advantage of this indemnification, you must notify us of the claim and must have complied with the Franchise Agreement. (Franchise Agreement, Section 17.1).

(9) Hold (1) one franchise conference and several other meetings during each calendar year. Franchisees who attend the conference must pay their own travel and living expenses. We impose a small fee (currently \$180).

(10) List the Franchised Business on our web site to the same extent as we list other Maid Brigade franchisees generally. (No specific reference in the Franchise Agreement).

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

#### Advertising Fund

We will spend amounts that the Fund receives on national, local, or regional marketing programs that directly or indirectly cover the Designated Market Area where our franchisees are located, and on developing alliances that will maximize general public recognition of the Maid Brigade System. However, we are under no obligation to make expenditures in a given franchisee's Operating Territory that are equivalent to the franchisee's contribution to the Fund or to ensure that any particular franchisee benefits directly or *pro rata* from the Fund's expenditures. We may also spend amounts that the Fund receives to perform test marketing, conduct surveys, to compensate marketing/advertising staff or engage in other activities we believe will benefit the Maid Brigade System. We will use all contributions to the Fund, and any earnings on sums deposited in it, exclusively to meet the cost of maintaining, administering, researching, directing, and preparing advertising or promotional activities. We will maintain the Fund in an account separate from our other monies, and will not use it to defray any of our expenses except for reasonable administrative and marketing wages and costs and overhead we may incur in activities related to administering the Fund and advertising programs for our franchisees. The Fund is not and will not be our asset. During the fiscal year ended December 31, 2023, *the Fund spent its income on marketing programs (44.8%), internet (32.9%), creative (17.6%), and miscellaneous (4.7%)*. The Fund has never spent any sums to solicit new franchisees. If all advertising fees are not spent in the year in which they are collected, the amounts are rolled into the next year. You may obtain a copy of the most recent annual accounting of the Advertising Fund at any time, by written request. Although the Fund is intended to exist indefinitely, we retain the right to terminate the Fund, provided all monies in the Fund have been expended for advertising or promotional purposes or returned to contributors on the basis of their respective contributions.

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

The Fund may pay us for services we provide to the Fund, like collecting fees, producing financial statements, maintaining the Fund's accounts, and other activities the Council authorizes. We will not direct money from the Fund to sell franchises.

We will make available to you copies of all advertising materials that we develop and that the Fund pays for. You are responsible for paying for the cost to reproduce and ship the materials. These materials allow you to customize your advertising according to your particular needs. If you decide not to use our preapproved advertising materials, you can choose your own advertising agency or supplier and produce your own advertising materials; however, we must approve all advertising, including the type and content of the advertisements, the media in which the advertisements will appear, and any advertising programs you devise, before you use them. (Franchise Agreement, Section 5). Generally, we approve or disapprove the materials within 2 weeks after we receive them.

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

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

### Computer Systems

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

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

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

You are required to use Maid Brigade proprietary products, currently our Total Management Software Solution

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

- Manage your operations by:
  - Scheduling your jobs by day, by team, and by customer
  - Calculating the efficiency and productivity of each team and team member, and reporting on those homes cleaned where the actual hourly rates were below the desired level
  - Preparing detailed individual payroll reports and summaries
  - Maintaining a complete database record on each customer, including the customer's name and address, directions to the customer's location, the price you charge, and the frequency of your visits
- Manage your finances by:
  - Generating weekly performance analysis reports, measuring productivity, and reporting your productivity to us so we can generate regional and national productivity reports
  - Calculating your employees' gross pay and personal vehicle mileage reimbursements
- Manage your marketing by:
  - Collecting critical data on sales leads, bookings, conversions, and cancellations, broken down by advertising source
  - Collecting and compiling prospective customers' names, addresses, telephone numbers, and other information for use in sales and marketing
  - Producing mailing lists and mailing labels for follow-up mailings
  - Tracking the effectiveness of each sales representative you employ.
  - Recording your weekly advertising expenditures

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

Use of newly released proprietary or other designated software is required, as is the necessary maintenance steps for these products such as updating and synchronizing. You are prohibited from translating, reverse engineering, reverse compiling, disassembling, or creating derivative works of any proprietary software provided by Maid Brigade and you agree to protect its confidentiality and to prevent unauthorized use of it.

Finally, we have no obligation to assist you in finding computer equipment or components.

### Site Selection

You select the site for your business premises within the Operating Territory. You must obtain our approval of the location. (Franchise Agreement, Section 3). If we do not disapprove your site within 10 business days after you submit the proposed site to us, your site is deemed approved. In evaluating your site, we look at the labor market, proximity to

your customers, the size of the space, and the rental rate. See Item 12 of this Disclosure Document. Your business premises are not crucial to the main business activity of your Franchised Business; thus, we rarely, if ever, disapprove a site. In the unlikely event we do not approve your initial site selection, we will work with you until you find a mutually acceptable site.

Time to Open the Franchise

The typical time between signing the Franchise Agreement or the first payment of any consideration to us and the start of your training is 6 to 8 weeks. You must open the Franchised Business within 90 days after you successfully complete pre-opening training. (Franchise Agreement, Section 3). You must open the Franchised Business no later than 6 months after signing the Franchise Agreement.

Training Programs

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

**PRE-BLASTOFF TRAINING PROGRAM**

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

Explanatory Notes:

1. You will participate in the Pre-Blastoff Training through our private website and by reviewing our Countdown, Confidential Operations Manual. Our instructors and support staff will welcome you to Maid Brigade, discuss your questions, and help you through the material. We will send you the material you need to begin the Pre-Home Office Training when the Franchise Agreement is fully executed and we receive the initial franchise fee and the fee for the Initial Package. The time to complete the Pre-Blastoff Training varies depending on how much time you can devote to training and how quickly you can absorb the material. We do not charge any additional fee for the Pre-Blastoff Office Training. There are no additional required training programs or refresher courses.
2. Our Staff Instructors have the following experience and concentration in the areas they will be teaching:

<b>Instructor</b>	<b>Experience</b>		<b>Instructor</b>	<b>Experience</b>
TJ Liles	18 Years		Michael Vinson	31 Years
Raychel Sullins	25 Years		Greg Nicklas	23 Years

**NEW FRANCHISE TRAINING** (See Note 1)

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On the Job Training</b>	<b>Location</b>
Greeting (phone and in-home)	.25	0	Virtual
Technology	12	0	Virtual
Pricing & Financial Planning	2	0	Virtual
Marketing and Product	6	0	Virtual
Sales	10	0	Virtual
Local Client Care	2	8	Office of one of our franchisees
Cleaning System	4	8	Office of one of our franchisees
<b>Total</b>	<b>36.25</b>	<b>16</b>	

Explanatory Notes:

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

**BLASTOFF TRAINING** (See Note 1)

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On the Job Training</b>
Sales: Commercial, newsletters, use of electronic distribution companies, and sales presentation.	2	0
Local Client Care – Hands-on in a coaching format. This will include in-home confirmation visits, follow-up phone calls, customer service and community networking.	2	3
Employees: Guidance for you to handle tough issues, field training, evaluations, termination, team transition, and training the trainer tips & tricks.	2	18
Administration: bookkeeping, payroll, scheduling, time management, supply management, filing, safety, and insurance claims management.	3	0
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
<b>Total</b>	<b>19</b>	<b>21</b>

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 during the term, we may agree to expand the Operating Territory, provided additional area is available, you have been in full compliance with the Franchise Agreement, and other matters are met.

As described in Item 1 above, we have also franchised a home cleaning concept under the “Maid Simple House Cleaning” mark. Those franchisees will have protected territories that will not overlap with a Maid Brigade franchise and will not compete with Maid Brigade franchisees for customers. We no longer offer Maid Simple House Cleaning franchises. Other than the Maid Simple system, we do not operate or franchise others to operate any business in the United States offering services similar to those offered under the System under trade names or trademarks other than “Maid Brigade” and other Marks we license to Maid Brigade franchisees, nor do we intend to do so; however, we reserve all rights to the System, including the Marks, that we do not license to you, and thus have the right to do so. In addition, while neither we nor any affiliate of ours sells any products or services through the internet or any other alternative means of distribution, either under the Maid Brigade name or otherwise, we reserve the right to do so, either within the territory or outside of it. If we make such a sale within the territory, we anticipate that you would not be compensated for the sale. You are not allowed to sell any products or services through any such alternative means of distribution, whether within the territory or otherwise. Because of these provisions, you will not receive an exclusive territory. You may face competition from other franchisees, from outlets that own, or from other channels of distribution or competitive brands that we control.

If you desire to service customers in a zip code that is not part of your current Operating Territory, you must send an email to Joel Lazarovitz at [jlazarovitz@maidbrigade.com](mailto:jlazarovitz@maidbrigade.com), or otherwise as we may designate. Depending on the area and availability, you may be able to purchase the zip code and add that zip code to your Operating Territory by paying us \$1 per qualified household within the zip code. Under certain circumstances, you may be able to request a Permission to Service of the zip code. In such event, however, the zip code is not added to your Operating Territory and we reserve the right to sell the zip code to another franchisee, in which case you must cease servicing any customers in the zip code and give that business to the new franchisee. In either case you must be in full compliance with all of your obligations under your Franchise Agreement.

In addition to the minimum royalty described in Item 6 above, your rights to the Operating Territory depend on you achieving a certain sales volume in your territory. Franchisee Territories of more than 30,000 Qualified Households are required to generate a minimum of \$6 per owned Qualified Household on an annual basis. In the event that those Franchises with more than 30,000 Qualified Households do not meet the \$6 per QHH annual minimum for three consecutive years, then we have the right to take back QHH's and place them in our open and available inventory. In

addition, under those circumstances, we can also terminate your franchise agreement, with no refund of the initial franchise fee. This is mandatory for any franchise after their second full year in business. You do not have any options, rights of first refusal or similar rights to acquire additional franchises.

**ITEM 13  
TRADEMARKS**

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

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

Mark	Serial Number	Filing Date	Registration No.	Registration Date	Type of Mark
Maid Brigade and Logo			6,657,295	March 1, 2022	Service Mark
Maid Brigade			6,659,732	March 1, 2022	Service Mark
Maid Brigade and Logo			5,295,625	September 26, 2017	Service Mark
PUREMIST			5,875,400	October 1, 2019	Service Mark
PURE CLEANING (words only)			5,942,713	December 24, 2019	Service Mark
PURE CLEANING (design plus words)			5,942,715	December 24, 2019	Service Mark

We have filed all required renewals and affidavits of use with the PTO, and the PTO has accepted them.

We have registration of the “Maid Brigade” service mark in the following countries, as a part of our international expansion campaign:

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

We grant you a limited license to use the Marks in connection with your operation of the Franchised Business, provided you comply with our requirements. We also license others to use the Marks; thus, we refer to your license as “nonexclusive.” Although your license to use the Marks is nonexclusive, neither we nor any other franchisee of ours may sell services using the Marks in the Operating Territory. After the Franchise Agreement terminates or expires, you cannot:

(i) use the Marks, directly or indirectly, or any colorable imitation of them; (ii) identify your office or any other business of yours as a Maid Brigade Franchise; or (iii) identify yourself as a former franchisee of ours, or suggest in any way that you and we were associated.

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

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

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

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

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

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

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

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

We grant you a non-exclusive license to use our Total Management Software Solution software. The license agreement requires you to acknowledge and agree that the software is a valuable, proprietary product of ours, the design and development of which took considerable time and money and the effort of skilled computer programmers. You agree

to keep the software and any data you generate confidential during and after the term of the Franchise Agreement. You must take reasonable steps to ensure the secrecy of the software and to prevent any unauthorized person from gaining access to it. You must treat the software as our confidential, proprietary, and trade secret information.

We claim proprietary rights in the contents of our Confidential Operations Manual and in all other materials and information related to the Maid Brigade System including our methods of operating a business, housecleaning techniques, specifications, marketing and sales techniques, advertising programs, cleaning equipment and supplies, supplier lists, price lists, expansion plans, advertising strategies, and other information we create or use. You agree to maintain the confidentiality of this information both during and after the term of the Franchise Agreement, and agree that you will not use this information in any other business or in any manner that we do not approve in writing. You may not communicate, divulge, or otherwise display this information to anyone other than your employees who have a need to know of it in order to operate the Franchised Business. You must have all your management personnel execute a non-disclosure/non-compete agreement, in a form we prepare, to ensure that they maintain the confidentiality of our confidential and proprietary information. Your client lists are our property, and you cannot use them for any purpose other than to support the Franchised Business. We have the right to take legal action against you if there has been an unauthorized use of our confidential information through you.

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

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

We generally grant franchises only to individuals who are looking for an active, rather than a passive, investment. You must directly supervise the Franchised Business. You may hire a manager or a management team to assist you as you deem appropriate. We have the right to approve any manager you hire before the manager assumes management responsibility for the Franchised Business. We advise that all senior managers of your business attend Home Office and MVP Training Programs. Your managers must execute a non-disclosure/non-compete agreement, a form we prepare, that obligates them to maintain the confidentiality of our trade secrets and confidential information, including our Confidential Operations Manual. You must inform us immediately when any manager leaves your employment.

You sign the Franchise Agreement in your individual capacity. You may assign the Franchise Agreement to a corporation, provided the corporation conducts no business other than the Franchised Business, and further provided that you actively manage the corporation and control the majority of its equity and voting power. You make the assignment through a Corporate Assignment Agreement (see Exhibit C to this Disclosure Document) in which you and your company agree to be bound jointly and severally by all provisions of the Franchise Agreement. Because you personally sign the Franchise Agreement, we do not require that you also sign a personal guaranty. If, however, you sign the Franchise Agreement in the form of a legal entity, all owners of that entity, but not their spouses, will be required to sign a personal guaranty, in the form attached as Schedule E to the Franchise Agreement. All obligations of confidentiality and noncompetition under the Franchise Agreement are your personal obligations. All issued and outstanding share certificates of your company must bear a legend stating that you will not transfer, assign, or sell any shares without our approval. If you assign your Franchised Business under the Corporate Assignment Agreement, the corporation may hire a manager or management team to supervise the day-to-day operations of the Franchised Business, subject to our

requirements regarding the employment of managers. Your managers are not required to have an equity interest in your corporation or in the Franchised Business. See Item 17 of this Disclosure Document.

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

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

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

You may provide authorized services to any customers you desire within the Operating Territory. You may not solicit or provide services outside the Operating Territory. You must refer prospective customers outside the Operating Territory to the Maid Brigade franchisee with rights to that Operating Territory, or to us.

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

**THE FRANCHISE RELATIONSHIP**

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

Provision	Section in Franchise or other Agreement	Summary
a. Length of the franchise term	Section 1.1	10 years
b. Renewal or extension of term	Section 1.2	If you meet certain requirements, you may renew for an additional 10-year term
c. Requirements for you to renew or extend	Section 1.2	Full compliance with the agreement during initial term, give us notice, sign a new franchise agreement, pay a renewal fee, and sign a release. Your new agreement may have materially different terms and conditions than your original contract, but the boundaries of the Territory will remain the same. The royalties and other fees may increase but they will be no greater than the royalties and other fees that we then impose on similarly situated renewing franchisees.
d. Termination by you	Section 14.1	If we breach agreement and do not cure after notice and opportunity to cure (subject to state law)

Provision	Section in Franchise or other Agreement	Summary
e. Termination by us without cause	None	Not applicable
f. Termination by us with cause	Sections 14.2 and 14.3	We can terminate if you default or commit any one of several listed violations
g. "Cause" defined — curable defaults	Section 14.3	10 days to cure monetary defaults; 20 days to correct financial problems; 30 days for breach of certain provisions of agreement; 60 days to assign franchise after death of franchisee; 2 days for failure to actively operate franchise or for operating franchise in unsafe manner; 3 days for selling or using unauthorized products; and prompt response to satisfy customer complaints
h. "Cause" defined — non-curable defaults	Section 14.3	Assignment for the benefit of creditors, bankruptcy, insolvency, abandonment of franchise, execution, seizure, foreclosure, levy or distress against your assets; failure to report purchases; financial misrepresentation; attempted transfer of franchise without following procedures; unauthorized use of our trademarks or confidential information; repeated failures to submit required information to us; repeated understatement of Gross Revenues; receipt of 2 or more notices of default during any 12-month period; violations of laws or regulations covering operation of franchise; failure to achieve minimum sales levels for three consecutive years; and multiple violations of agreement whether or not cured
i. Your obligations on termination/non-renewal	Section 15 and Schedule D	Pay outstanding amounts, de-identify (including changing telephone number), return manuals and confidential information to us, return proprietary software and a listing of all past and current customers, comply with covenant against competing with us, sell us your franchise if we exercise our right to purchase, transfer your telephone numbers and directory listings to us, professionally correspond with customers and return property and keys
j. Assignment of contract by us	Section 16.1	We may freely assign the agreement in our absolute discretion
k. "Transfer" by you — definition	Section 16.2	Includes direct, indirect or contingent transfer, in whole or in part, of any interest in the Franchised Business
l. Our approval of transfer by you	Sections 16.2, 16.3, and 16.4	Right to withhold approval at our sole discretion in most cases except assignment by individual franchisees to a corporate franchisee or transfers among individual franchisees

Provision	Section in Franchise or other Agreement	Summary
m. Conditions for our approval of transfer	Sections 16.2, 16.3, and 16.4	Transferee meets our criteria, you are current on your obligations to us, you pay a transfer fee, you give us notice and sign a release, and transferee signs current franchise agreement
n. Our right of first refusal to acquire your business	Section 16.6	This right is triggered by your receiving a <i>bona fide</i> written offer to purchase your Franchised Business and its assets
o. Our option to purchase your business	Section 15.6	This option is triggered by the termination or nonrenewal of your agreement
p. Your death or disability	Section 16.5	No transfer fee is charged
q. Non-competition covenants during the term of the franchise	Section 5.6	You may not engage in any business that interferes with your obligation to manage your Franchised Business (subject to state law)
r. Non-competition covenants after the franchise is terminated or expires	Section 15.5	2 years and within and outside of the Operating Territory (subject to state law)
s. Modification of the agreement	Section 18.4	No modification without written agreement, but we may change manual without your consent
t. Integration/merger clause	Section 18.10	Only terms of the Franchise Agreement (subject to state law) are binding. Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable. Nothing in the Franchise Agreement or any related Agreement is intended to disclaim our representations made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	None	No provision
v. Choice of forum	Section 18.16	Litigation in state or federal courts in Fulton County, Georgia (subject to applicable state law)
w. Choice of law	Section 18.18	Georgia law applies (subject to applicable state law)

**ITEM 18  
PUBLIC FIGURES**

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

**ITEM 19  
FINANCIAL PERFORMANCE REPRESENTATIONS**

The FTC Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

**PLEASE READ THE IMPORTANT  
INFORMATION THAT FOLLOWS THESE FIGURES.**

**Sales Summary Report  
Year Ending December 31, 2023**

The table below includes average and median sales information for all franchised businesses that were in operation for one calendar year or more as of December 31, 2023. Many of these franchisees have more than one territory, and the figures set out above represent total revenues owned by each franchisee.

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

**Top 1/3 performing franchisees (25)** – sales from \$1,124,737 to \$6,031,108, with median sales of \$1,657,063.

Average Sales = \$1,890,023 with 9 (36%) franchisees attaining or surpassing the average.

**Middle 1/3 performing franchisees (24)** – sales from \$446,109 to \$1,106,657, with median sales of \$594,400

Average Sales = \$656,936 with 7 (29%) franchisees attaining or surpassing the average.

**Lowest 1/3 franchisees (24)** – sales from \$24,864 to \$442,530, with median sales of \$243,540

Average Sales = \$249,226 with 11 (46%) franchisees attaining or surpassing the average.

Franchisees	Sales Range 2023	Median Sales 2023	Average 2023
Top 1/3 performing franchisees (25 franchisees)	\$1,124,737 - \$6,031,108	\$1,657,063	\$1,890,023 (36%)
Middle 1/3 performing franchisees (24 franchisees)	\$446,109 - \$1,106,657	\$594,400	\$656,936 (29%)
Lowest 1/3 franchisees (24 franchisees)	\$24,864 - \$442,530	\$243,540	\$249,226 (46%)

Sales, expenses, and income will vary from franchised business to franchised business and market to market, and we do not represent that Gross Revenues for the franchisees shown herein for the periods indicated will accurately predict the

future results for those franchisees or for any potential franchisee. Factors that may affect Gross Revenue, and which you should consider carefully in evaluating this information and in making any decision to purchase a Franchise, include income and demographic characteristics of a particular market area; competition; expense variables in a particular market (e.g., rent, advertising expense, insurance costs, and labor costs); your business skills; your motivation and effort in operating the Franchise; your financial wherewithal and financial capabilities; your ability to borrow money that you may need to operate the Franchise and the terms of debt obligations; conditions generally prevailing in the local and national economy; the number of employees you hire; the size of the operating territory; and your general business acumen.

WRITTEN SUBSTANTIATION FOR THIS FINANCIAL PERFORMANCE REPRESENTATION IS AVAILABLE TO YOU UPON REASONABLE REQUEST.

#### NOTES

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.

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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
	2023	317	322	+5
Company Owned	2021	24	24	0
	2022	24	24	0
	2023	24	24	0
Total Outlets	2021	357	349	-8
	2022	349	341	-8
	2023	341	346	+5

In the list of franchises in these Tables, we count each part of a territory containing 30,000 qualified households as one franchise, so that a franchise territory containing 90,000 qualified households would count as three franchises. Our standard territory size is one with 30,000 qualified households. Starting in 2023, we have offered mid-size market franchises containing approximately 20,000 franchises, but we did not offer or sell any of those territories in 2022 or prior years.

**TABLE NUMBER 2**

**TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS**  
**(OTHER THAN THE FRANCHISOR)**  
**FOR FISCAL YEARS 2021 TO 2023**

State	Year	Number of Transfers
California	2021	0
	2022	8
	2023	0
Colorado	2021	0

State	Year	Number of Transfers
	2022	2
	2023	0
Connecticut	2021	0
	2022	2
	2023	0
Florida	2021	0
	2022	2
	2023	0
Georgia	2021	0
	2022	14
	2023	0
Illinois	2021	0
	2022	0
	2023	3
Missouri	2021	0
	2022	4
	2023	0
New Jersey	2021	0
	2022	1
	2023	1
Nevada	2021	3
	2022	3
	2023	0
North Carolina	2021	0
	2022	1
	2023	0
Texas	2021	0
	2022	2

State	Year	Number of Transfers
	2023	4
Virginia	2021	2
	2022	0
	2023	0
Totals	2021	10
	2022	31
	2023	8

**TABLE NUMBER 3**

**STATUS OF FRANCHISED UNITS**

**FOR THE FISCAL YEARS 2020 TO 2022** *(See Note 1)*

State	Year	Outlets at Start of Year	Outlets Opened	Termination	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at the end of Year
Alabama	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Alaska	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Arizona	2021	12	0	0	0	0	0	12
	2022	12	0	0	0	0	0	12
	2023	12	0	0	0	0	0	12
Arkansas	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
California	2021	44	0	0	0	0	0	44
	2022	44	2	0	0	0	6	40
	2023	40	0	0	0	0	0	40
	2021	3	0	0	0	0	0	3

State	Year	Outlets at Start of Year	Outlets Opened	Termination	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at the end of Year
Colorado	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Connecticut	2021	8	0	0	0	0	0	8
	2022	8	0	0	0	0	0	8
	2023	8	0	0	0	0	0	8
Delaware	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
District of Columbia	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Florida	2021	11	0	0	0	0	0	11
	2022	11	1	0	0	0	0	12
	2023	12	3	0	0	0	0	15
Georgia	2021	19	0	0	0	0	0	19
	2022	19	0	0	0	0	5	13
	2023	13	0	0	0	0	0	13
Hawaii	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
Idaho	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Illinois	2021	12	0	0	0	0	0	12
	2022	12	0	0	0	0	0	12
	2023	12	0	0	0	0	0	12
Indiana	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3

State	Year	Outlets at Start of Year	Outlets Opened	Termination	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at the end of Year
	2023	3	0	0	0	0	0	3
Iowa	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Kansas	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Kentucky	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Louisiana	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Massachusetts	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	?
Maryland	2021	10	0	0	0	0	0	10
	2022	10	0	0	0	0	0	10
	2023	10	0	0	0	0	0	10
Michigan	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Minnesota	2021	13	0	0	0	0	0	13
	2022	13	0	0	0	0	0	13
	2023	13	0	0	0	0	0	13
Mississippi	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Termination	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at the end of Year
Missouri	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Montana	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Nebraska	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Nevada	2021	7	0	0	0	0	0	7
	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	1	6
New Hampshire	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
New Jersey	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
New Mexico	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
New York	2021	29	0	0	0	0	0	29
	2022	29	0	0	0	0	0	29
	2023	29	0	0	0	0	0	29
North Carolina	2021	8	0	0	0	0	0	8
	2022	8	0	0	0	0	0	8
	2023	8	0	0	0	0	0	8
	2021	0	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Termination	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at the end of Year
North Dakota	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Ohio	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	4	0
	2023	0	0	0	0	0	0	0
Oklahoma	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Oregon	2021	8	0	0	0	0	0	8
	2022	8	0	0	0	0	0	8
	2023	8	0	0	0	0	0	8
Pennsylvania	2021	11	0	0	0	0	4	7
	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	0	7
Rhode Island	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
South Carolina	2021	3	0	0	0	0	3	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
South Dakota	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Tennessee	2021	7	0	0	0	6	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	6	0	1
Texas	2021	42	0	0	0	0	1	41
	2022	41	1	0	0	0	1	41

State	Year	Outlets at Start of Year	Outlets Opened	Termination	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at the end of Year
	2023	41	0	0	0	0	0	41
Utah	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
Vermont	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Virginia	2021	44	0	0	0	0	0	44
	2022	44	0	0	0	0	0	44
	2023	44	0	0	0	0	0	44
Washington	2021	16	0	0	0	0	0	16
	2022	16	0	0	0	0	0	16
	2023	16	0	0	0	0	0	16
West Virginia	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Wisconsin	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Wyoming	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Totals	2021	333	3	0	0	0	11	325
	2022	325	4	0	0	0	12	317
	2023	317	6	0	0	0	1	322

In the list of franchises in this Table, we count each part of a territory containing 30,000 qualified households as one franchise, so that a franchise territory containing 90,000 qualified households would count as three franchises. Our standard territory size is one with 30,000 qualified households. Starting in 2023, we have offered mid-size market franchises containing approximately 20,000 franchises, but we did not offer or sell any of those territories in 2022 or prior years.

**Table Number 4**

**STATUS OF COMPANY-OWNED BUSINESSES**

**FOR FISCAL YEARS 2021 TO 2023**

<b>State</b>	<b>Year</b>	<b>Outlets at the Start of Year</b>	<b>Outlets Opened</b>	<b>Outlets Reacquired from Franchisees</b>	<b>Outlets Closed</b>	<b>Outlets Sold to Franchisees</b>	<b>Outlets at End of Year</b>
Florida	2021	18	0	0	0	0	18
	2022	18	0	0	0	0	18
	2023	18	0	0	0	0	18
Tennessee	2021	6	0	0	0	0	6
	2022	6	0	0	0	0	6
	2023	6	0	0	0	0	6
Total	2021	18	0	6	0	0	24
	2022	24	0	0	0	0	24
	2023	24	0	0	0	0	24

**TABLE NUMBER 5**

**PROJECTED OPENINGS IN 2024**

<b>State</b>	<b>Franchise Agreements Signed but Business not yet Operational</b>	<b>Projected New Franchisees in the Next Fiscal Year</b>	<b>Projected Company Owned Openings in Next Fiscal Year</b>
Alabama	0	1	0
California	0	1	0
Florida	2	4	0
Massachusetts	1	1	0
New York	0	1	0
North Carolina	0	1	0

State	Franchise Agreements Signed but Business not yet Operational	Projected New Franchisees in the Next Fiscal Year	Projected Company Owned Openings in Next Fiscal Year
Ohio	0	1	0
Utah	0	1	0
Totals	3	11	0

The names of all franchisees and the addresses and telephone numbers of their franchises as of December 31, 2023, are listed as Exhibit E-1 to this Disclosure Document. All listed on Exhibit E-1 were operational as of December 31, 2023. A list of the names and last known home addresses and telephone numbers of every franchisee whose franchise was terminated or canceled, or who otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the fiscal year ended December 31, 2023, or who has not communicated with us within 10 weeks of the date of this Disclosure Document, is attached as Exhibit E-2. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system. We have not, in the last three fiscal years, signed any confidentiality clauses with any former or current franchisees, which would have limited in any way their ability to speak openly about their experience in the Maid Brigade system.

We have sponsored one association in which our Maid Brigade franchisees participate with our company representatives. We have a Franchisee Advocacy Council comprised of both franchisee and franchisor representatives. The contact for that group is T.J. Liles, at Four Concourse Parkway, Suite 200 (770)-551-9630, and his email address is tjililes@maidbrigade.net. There is no independent franchisee association in the Maid Brigade franchise system.

## ITEM 21 FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit D are our audited financial statements for the fiscal years ended December 31, 2023, December 31, 2022, and December 31, 2021, including balance sheets, statements of earnings, stockholders' equity, and cash flows. Also included in Exhibit D are our interim unaudited financial statements as of September 30, 2024. Our fiscal year end is December 31.

## ITEM 22 CONTRACTS

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

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

**ITEM 23**  
**RECEIPT**

The last 2 pages of this Disclosure Document are a detachable document acknowledging that you received this Disclosure Document. You are required to sign each Receipt. If you are missing these Receipts, please contact us at this address or telephone number: Maid Brigade, Inc.

Four Concourse Parkway, Suite 200

Atlanta, Georgia 30328

(770) 551-9630

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

**STATE REGULATIONS AND REQUIREMENTS**

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

**FOR RESIDENTS OF THE STATE OF CALIFORNIA**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any

claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

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

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

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

The undersigned does hereby acknowledge receipt of this addendum.

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

\_\_\_\_\_

\_\_\_\_\_

FRANCHISOR

FRANCHISEE

**EXHIBIT A**

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

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**LIST OF STATE ADMINISTRATORS**

**AND**

**AGENTS AUTHORIZED TO RECEIVE**

**SERVICE OF PROCESS**

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## State Administrators

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

### California

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

### Hawaii

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

### Illinois

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

### Indiana

Indiana Secretary of State  
  
Indiana Securities Division/Franchise Section  
  
302 W. Washington Street, Room E-111  
  
Indianapolis, IN 46204  
  
(317) 232-6681

### Maryland

Office of the Attorney General  
  
Maryland Division of Securities

200 St. Paul Street  
Baltimore, MD 21202-2020  
(410) 576-6360

Michigan

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

Minnesota

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

New York

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

North Dakota

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

Rhode Island

Department of Business Regulation

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

South Dakota

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

Virginia

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

Washington

Department of Financial Institutions  
Securities Division  
150 Israel Rd SW  
Tumwater, Washington 98501  
(360) 902-8760

Wisconsin

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

**Agents Authorized to Receive Service of Process**

Our agent in Georgia is: John Barton Puett

Four Concourse Parkway, Suite 200

Atlanta, Georgia 30328

We intend to register this Disclosure Document as a “franchise” in some or all of the following states, in accordance with the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agent for service of process in those states:

**California**

California Commissioner of Financial Protection and Innovation

California Department of Financial Protection and Innovation

320 West 4th Street, Suite 750

Los Angeles, California 90013-1105

**Hawaii**

Director of Department of Commerce and Consumer Affairs

335 Merchant Street, Suite 203

Honolulu, Hawaii 96813

**Illinois**

Illinois Attorney General

500 South Second Street

Springfield, Illinois 62706

**Indiana**

Secretary of State of Indiana

201 Statehouse

200 West Washington Street

Indianapolis, Indiana 46204

**Maryland**

Maryland Securities Commissioner

200 St. Paul Place

Baltimore, Maryland 21202-2020

Michigan

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

Minnesota

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

New York

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

North Dakota

North Dakota Securities Commissioner  
State Capitol  
Bismarck, North Dakota 58505

Rhode Island

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

South Dakota

Director, Division of Securities  
Department of Commerce and Regulation

118 West Capitol Avenue  
Pierre, South Dakota 57501-2017

Virginia

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

Washington

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

Wisconsin

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

**EXHIBIT B**

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

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**FRANCHISE AGREEMENT**

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**FRANCHISE AGREEMENT**

**BETWEEN**

**MB FRANCHISE HOLDINGS, INC.**

**AND**

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SCHEDULES

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**MB Franchise Holdings, INC.**

**MAID BRIGADE® FRANCHISE AGREEMENT**

THIS FRANCHISE AGREEMENT (the “Agreement”) is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 202\_\_ (the “Effective Date”), by and between MB FRANCHISE HOLDINGS, INC., a Georgia corporation with its principal place of business at Four Concourse Parkway, Suite 200, Atlanta, Georgia 30328 (“we,” “us,” “Maid Brigade” or the “Company”) and \_\_\_\_\_, whose principal address is shown on Schedule A to this Agreement (“you”).

WITNESSETH:

WHEREAS, we have certain rights to, and have registered in certain jurisdictions, the service mark “Maid Brigade” and the trademarks, service marks, trade names, logotypes, commercial symbols, and styles related thereto (collectively, the “Marks”); and

WHEREAS, we offer franchises an exclusive territory. Our standard territory includes 30,000 Qualified Households.

WHEREAS, we have developed a business plan and methodology for the establishment, operation, and promotion of a business that offers light cleaning services under our Confidential Operations Manual, training, standards, specifications, confidential information, procedures, materials, Marks, and Vision reporting system, all of which is subject to change, improvement, and further development from time to time (collectively, the “System”); and

WHEREAS, you desire to establish a household and light commercial cleaning business using our System, including the Marks, Manuals, and Vision reporting system, and have applied to us for such a right; and

WHEREAS, we desire to grant you such a right, under the terms and conditions set forth in this Agreement;

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

**1. GRANT AND RENEWAL OF FRANCHISE**

1.1 Grant of Franchise. Subject to all the terms and conditions of this Agreement, we hereby grant you, and you hereby accept, the franchise and right (hereinafter the “Franchise”) to open and operate a business using the System (the “Franchised Business”) within the area (the “Operating Territory”) described in Schedule A attached to this Agreement, for a term of ten (10) years (the “Term”), commencing on the Effective Date of this Agreement.

1.2 Renewal of Franchise. You may renew the Franchise without payment of our then-existing Initial Franchise Fee, provided:

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

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

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

(d) You pay our costs of renewing the Franchise, which costs will include, without limitation, administrative expenses and reasonable attorneys' fees we incur related to preparing all documents related to renewal; and

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

For the purposes of this Section 1.2, you will be deemed to have irrevocably declined to renew the Franchise and the foregoing option will automatically terminate, if you fail to execute and deliver to us all documents required for such renewal, including the then-current franchise agreement and the general release, within thirty (30) days after we deliver them to you for signature.

1.3 Effect of Termination. Termination or expiration of this Agreement will constitute a termination or expiration of the Franchise and will require immediate cessation of the Franchised Business.

## **2. EXCLUSIVITY OF OPERATING TERRITORY**

Maid Brigade will not operate ourselves, nor enfranchise others to operate, a business substantially similar to the Franchised Business within the Operating Territory. Except as expressly limited above, we retain all rights to the System, including the Marks; including, without limitation, the right to operate or grant Franchises at locations and on such terms and conditions as we may deem appropriate and the right to develop, market, and sell any product or service or own or operate any other business under the Marks.

With written permission from Maid Brigade, you may be approved to provide the services licensed by this Franchise Agreement to locations outside of the Operating Territory, provided that the location does not fall within the operating territory of any other Maid Brigade franchisee, or within an exclusive territory of any Maid Brigade business operated by us or any of our affiliates and is reasonably contiguous to your own Operating Territory. If the location falls within an operating territory of another franchisee or of ours, you may provide services at that location only after receiving the express prior written consent of both the other franchisee and from us, which consent may be revoked at any time by either of such consenting parties. If you are servicing a location outside of the Operating Territory and not within the operating territory of another franchisee, but the area in which that location is situated is later included in the

Operating Territory under a franchise granted to another franchisee, you will immediately upon receipt of notice of such event, and at our discretion, cooperate with the new franchisee in transferring the account over to the new franchisee, with no financial benefit accruing to you. If the Operating Territory hereunder contains customers that are being serviced by another franchise, these customers will be turned over to you if and when we determine it is appropriate. The transfer is at the sole discretion of us and these rights may be revoked if we determine you fail to maintain these accounts to Maid Brigade standards.

If you desire to service customers in a zip code that is not part of your current Operating Territory, you must send an email to Joel Lazarovitz at [jlazarovitz@maidbrigade.com](mailto:jlazarovitz@maidbrigade.com), or otherwise as we may designate. Depending on the area and availability, you may be able to purchase the zip code and add that zip code to your Operating Territory by paying Maid Brigade \$1 per qualified household within the zip code. Under certain circumstances, you may be able to request a Permission to Service of the zip code. In such event, however, the zip code is not added to your Operating Territory and Maid Brigade reserves the right to sell the zip code to another franchisee, in which case you must cease servicing any customers in the zip code and give that business to the new franchisee. In either case you must be in full compliance with all of your obligations under this Franchise Agreement. 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 define the income level of a "qualified household."

You may not actively market or otherwise solicit business outside of the Operating Territory. The only exception to this rule is that if you advertise using broader based marketing vehicles, such as Co-Op Mailers, i.e. Val Pak, and internet based marketing, i.e. Pay Per Click, and these marketing vehicles overlap into areas outside of the Operating Territory, which have pre-determined mailing areas that include both areas within and outside of the Operating Territory.

If you violate these rules and service customers, paying or non-paying, in another franchisee's operating territory, you will be in default of this Franchise Agreement. In order to cure that breach, you will be required to pay to Maid Brigade the total value of all cleaning performed, as determined by Maid Brigade, along with an additional payment of up to 20% of that amount, as a cure. In addition, you will have to immediately cease servicing the account(s) in question.

Franchisee Territories of more than 30,000 Qualified Households are required to generate a minimum of \$6 per each owned Qualified Household on an annual basis. If you have at least that number of Qualified Households in your Operating Territory and you fail to meet the \$6 per QHH annual minimum for three consecutive years, then we have the right to take back QHH's and place them in our open and available inventory. This is mandatory for all franchisees after their second full year in business. Failure to achieve the minimum amount of sales is also grounds for termination of your agreement. It is further agreed, however, that if you have given notice to us of your desire to renew the Franchise Agreement or transfer the Franchise Agreement and the franchised business, and you have not met this requirement, if we choose to permit the renewal or transfer, we will waive this provision for the renewal term or transferee, as applicable.

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

You may commence the Franchised Business only after you successfully complete our Pre-Opening Training and New Franchisee Training (see Section 4, below) and only if you are then in full compliance with the terms and conditions of this Agreement. You will establish a commercial business premises for the Franchised Business within the Operating Territory at a location you and we agree on. Your office premises must have outdoor signage to include the official Maid Brigade logo. Your parking lot, office entry way and front door should have a tidy and professional appearance at all times, free of trash and other debris. You will commence the Franchised Business as soon as possible after the date of this Agreement, but in any event not later than ninety (90) days after you complete our Pre-Opening Training and New Franchisee Training.

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

4.1 Training. Before you begin your operation of the Franchised Business, we will furnish our New Franchisee Training involving the operation of a Maid Brigade Franchise. When you sign this Agreement, you will pay us the sum of \$9,100 as an 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 from MaidCentral.

We will conduct the Pre-Opening Training through our private website and our Confidential Operations Manual. We will conduct the New Franchisee Training virtually. We will not charge you any additional fee for Pre-Opening Training or New Franchisee Training. You will travel to an existing Maid Brigade franchise location to participate in the practices and procedures of operating one of our businesses. You will be responsible for the expenses you and your attendees incur in connection with attending the Training including, without limitation, transportation, food, lodging, salary costs, and benefit costs.

4.2 Completion of Training Program/Termination. You must complete the Pre-Opening Training, New Franchisee training, or as we may designate from time to time, to our reasonable satisfaction before you begin your operation of the Franchised Business. If, for any reason, you fail to satisfactorily prepare for or honor your training program obligations, you may be responsible for any additional expenses that may be incurred by our Trainer or Training Department.

**4.3 Hiring and Training of Employees.** Unless trained by us or otherwise agreed to by us, you will hire, and train at your expense, all management employees of the Franchised Business. You will be solely responsible for the terms of employment and compensation of all employees you employ. You will perform a background check on every applicant you desire to employ. You will not employ anyone: (i) whose background check suggests that such person does not adhere to the highest standards of honesty, integrity, fair dealing, and ethical conduct; or (ii) who refuses or fails to complete satisfactorily the training program you or we, as the case may be, conduct. All your employees charged with management responsibility for the day-to-day operations of the Franchised Business must either be trained by us pursuant to Section 4.1 above or otherwise trained by you to our satisfaction. We must consent to the employment of all such management personnel in writing before they assume any such management responsibility, and all such management personnel must execute a

non-disclosure/non-compete agreement we create that requires such personnel to maintain the confidential nature of our trade secrets, confidential and proprietary information, and the System, including the Manuals, during the term of their employment and thereafter. You must inform us in writing immediately on the termination of employment of any management personnel.

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

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

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

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

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

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

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

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

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

In addition, we will provide you with the following assistance:

(g) Blastoff Training, on dates and at times you and we mutually agree on. To deliver the Blastoff Training, our employee will travel, at our expense, to the Operating Territory to provide you with additional training and assistance in the establishment and operation of the Franchised Business. Our Blastoff training and assistance will cover the following areas: (i) assistance with the hiring of your first team of maids; (ii) establishing training programs that you may use to train your employees, representatives, and agents; (iii) in-house sales presentations; (iv) telephone procedures and daily office operations;; and (vi) review;

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

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

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

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

4.7 Initial Inventory. We will sell you, and you will purchase from us, your initial package of materials (your "Initial Package"). The Initial Package will consist of a reasonable supply of approved printed materials, , business cards, Maid Brigade uniforms, the Manuals, and cleaning supplies and equipment. The Initial Package includes your initial inventory of equipment and supplies; cleaning

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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.

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

operation of the Franchised Business. You agree to perform “in-home confirmations” for all prospective customers as outlined in our Confidential Operations Manual. You will guarantee your services and will respond promptly to all inquiries and complaints in order to achieve customer satisfaction and, if necessary, will reclean the customer’s home or office or provide a partial or complete refund to the customer. If in our Reasonable Business Judgment it is necessary to take action to resolve a customer complaint, we may enter on the customer’s premises to inspect or correct your work or offer a reasonable settlement, and you will pay our cost of doing so promptly on our request. If a customer refuses to do business with your Maid Brigade office because of poor customer service and in our Reasonable Business Judgment there is another Maid Brigade office that can meet the needs of this customer, you agree to allow another Maid Brigade office, of our choosing, to continue to service and receive payment from this customer in the “exclusive” Operating Territory. You acknowledge that it may be necessary or desirable to change or modify the System and the methods and procedures you use to conduct the Franchised Business, and on notice from us, you will promptly implement such changes and modifications at your cost. You agree to comply with all of our specifications, standards, and operating procedures related to the operation of the Franchised Business; including, without limitation, specifications, standards, and operating procedures related to:

- (a) The selling process and methods including in-home Engagements;
- (b) The delivery of approved house and office cleaning services;
- (c) The safety, maintenance, cleanliness, function, and appearance of your vehicles, equipment, accessories, and signs;
- (d) The uniforms or clothes to be worn by, and general appearance of, you and your employees;
- (e) The use of the Marks;
- (f) The hours that you will conduct the Franchised Business, subject to local laws and market conditions;
- (g) Your use of signs, posters, displays, brochures, flyers, forms, and similar items; and
- (h) Your identification of yourself as the owner of the Franchised Business and a licensed user of the Marks.

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

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

5.5 Pricing. We may from time to time offer you advice or guidance concerning suggested prices you may wish to charge that we reasonably believe would constitute a good business practice for

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

5.6 Management/Conflicting and Competing Interests. You will directly manage the Franchised Business at all times, except for minor, temporary absences and reasonable vacations, in which case fully-trained management personnel will directly manage the Franchised Business at all times. You agree that you will at all times faithfully and diligently perform your obligations hereunder, that you will continuously devote your full-time attention, energy, and best efforts to promote and enhance the Franchised Business, and you will not engage in any business or other activity that will conflict with your obligations hereunder. You acknowledge that the operation of the Franchised Business is a full-time occupation and, therefore, you agree that you will not, during the Term of this Agreement, without our written approval, have any interest as an owner (except of publicly traded securities), lender, director, officer, employee, consultant, representative, or agent, or in any other capacity, in any other business that is similar to the Franchised Business, except other Maid Brigade franchises, in the state(s) in which the Operating Territory is located, or in states that border such state(s). Without limiting the foregoing, you agree that during the term of the Franchise Agreement, you will not provide consulting services to any residential cleaning business located within 100 miles of any Maid Brigade franchised territory.

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

5.8 Computer Requirements. You will be required to maintain your computer systems to meet our minimum computer specifications.

5.9 Compliance with laws/Credit Cards. You agree to comply with all laws applicable to the operation of the franchised business, including, without limitation, all wage and hour laws, labor department, workers compensation and unemployment laws and rules. In addition, with respect to all credit card transactions and the customer information obtained through credit card usage, you agree to diligently comply with all statutes and rules regarding such usage and you will protect the privacy of the credit card customers. You agree that your obligations to indemnify us under Section 17.2 below includes any claims arising out of your failure to perform your obligations set out in this Section 5.8.

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

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

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

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

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

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

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

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

## **7. PROPRIETARY INFORMATION**

7.1 Trade Secrets. You acknowledge that your knowledge of the operation of the Franchised Business and the particulars of the System is derived solely from information we disclose to you pursuant to this Agreement, the Maid Brigade training programs, the Manuals, and otherwise in connection with

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

7.2 Customer Names. You agree that any and all 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”). 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.

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

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

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

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

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\$13,462                      \$859.64

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

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

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

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

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

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

You agree to execute and deliver to us appropriate pre-authorized draft forms for your operating account or credit card(s), so that we may withdraw money on a timely basis to collect royalty payments, Advertising Fees, Technology fees, and any other fees or charges accruing hereunder. You agree to make the funds available to us for withdrawal no later than the due date for payment. Failure to do so shall be considered non-payment and a breach of this Agreement under section 14.3(l) below. If you fail to report your Gross Revenues on a timely basis, we shall have the right to collect, in addition to the late fee, an amount we deem to be a reasonable estimate of the payment then due to us. Any such estimates will be reconciled and adjusted as needed when we receive the actual, delinquent reports. You further agree that upon termination or expiration of this Agreement, if you owe us any money, we may draft your account for that sum. It is agreed that it will be a breach of this Agreement if you close the bank account used for the bank drafts, without establishing with us a satisfactory alternative. We shall have the right to debit your credit card(s) at any time that a bank draft fails, for whatever reason, and you agree at all times throughout the term hereof to maintain a credit card that we can freely access for that purpose.

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

## 10. ADVERTISING AND PROMOTION

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

Amounts paid to the Fund will be spent on developing national, regional and local advertising materials, marketing programs and media placement as appropriate, including internet alliances, that will directly or indirectly cover the area of dominant influence where your office is located; and on engaging in test marketing, conducting surveys, covering administrative costs, marketing wages and ad agency fees, or enhancing advertising effectiveness; or for other purposes deemed beneficial to the general recognition of the Marks and the success of Maid Brigade franchises. All sums contributed to the Fund will be kept in an account separate from our revenue and will not be used except as permitted in this Agreement. Copies of all advertising material developed by us and paid for from the Fund will be made available to you for the cost of reproduction and shipping. You acknowledge and agree that total contributions to the Fund need not be spent in the year in which such contributions are received, and that the Fund may retain a reasonable reserve at the end of each year. Expenditures in the following year will be made first out of such reserve, secondly out of earnings on contributions, and finally from new contributions. We may delegate our responsibilities contained in this Section 10.1 to one or more designees of our choosing. Although the Fund is intended to be of perpetual duration, we may terminate it at any time provided that all monies in the Fund are exhausted for the purposes described in this Agreement prior to termination. We or our designee under this Agreement will make available to you on request an annual statement of receipts and disbursements of the Advertising Fund.

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

When you sign your franchise agreement, 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](http://www.maidbrigade.com)) is an advertising vehicle and that you are required to fully utilize all of its capabilities.

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

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

## **11. RECORDS AND REPORTING**

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

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

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

week. To facilitate the transmittal of these reports, you agree to comply with reasonable operating procedures we establish and to access the necessary e-mail program to communicate with us;

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

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

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

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

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

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

## **12. INSPECTIONS AND AUDITS**

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

12.2 Our Right to Audit. We will have the right at any time during normal business hours, and without prior notice to you, to audit or cause to be audited, your books, records, reports, financial

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

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

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

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

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

use one or more additional or substitute Marks, you 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.

14.3 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 Agreement, and without giving you an opportunity to cure, if you or any corporation to which you have assigned this Agreement:

- (a) Commit an act of bankruptcy or become insolvent;
- (b) File, or fail to contest within three (3) days of filing, any petition in bankruptcy;
- (c) Fail to contest, satisfy, lift, or vacate, within ten (10) days, any execution, seizure, foreclosure, levy, or distress against the assets of the Franchised Business;
- (d) Fail to contest and have removed, within ten (10) days, the appointment of any temporary or permanent receiver or other custodian of the Franchised Business or any part of its assets;
- (e) Take the benefit of any act or proceeding for winding up your affairs or compromising your debts;
- (f) Make a Transfer, as defined in Sections 16.2 and 16.3 below, of the Franchise or Franchised Business without first complying with the relevant provisions of this Agreement;
- (g) Make any unauthorized use of the Marks, make an unauthorized copy or disclosure of the Confidential Information, make an unauthorized copy or disclosure of the Confidential Operations Manual or the Software, or seek to challenge our ownership rights in the System, including the Marks and the Software;
- (h) Abandon or surrender or transfer control of the operation of the Franchised Business or fail to actively conduct the Franchised Business as required in this Agreement and such condition continues for two (2) days after notice of such default is given; provided, however, we will not terminate this Agreement solely as a result of abandonment of the operation of the Franchised Business due to your death without first giving ten (10) days' prior written notice to your trustee, executor, administrator, or next of kin as shown in our files;
- (i) Submit on two (2) or more occasions at any time during any calendar year, a report, financial statement, tax return, schedule, or other information, or any supporting record, that understates the Gross Revenue for any period by more than two percent (2%), unless you demonstrate that such understatement resulted from inadvertent error;
- (j) Fail or refuse to submit any report, financial statement, tax return, schedule, or other information or supporting record required under this Agreement, or submit such report or record more than five (5) days late on two (2) or more occasions during the Term;
- (k) Operate the Franchised Business in a manner that presents a health or safety hazard to the customers, employees, or the public, and such manner of operation continues uncorrected for two (2) days after notice to correct such hazard;
- (l) Fail or refuse to pay any amount you owe us or any affiliated company for any debt whatsoever within ten (10) days after a demand for payment, or fail to honor on two (2) or more occasions during the Term checks presented to us or any affiliated company for payment, or repeatedly and consistently pay any amount due under this Agreement after its due date;

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

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

(o) Violate any law, ordinance, rule, or regulation applicable to the Franchised Business or involving moral turpitude, and do not correct such violation promptly after notification thereof from any source, unless there is a *bona fide* dispute as to the violation or status of such law, ordinance, rule, or regulation, and you promptly resort to courts of appropriate jurisdiction to contest such violation or status;

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

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

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

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

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

(u) fail to meet the sales requirement for your territory for three or more years in a row, after your second full year in operation.

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

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

15.2 Return of Manuals and Retention of Records. You agree that within five (5) days after the effective date of termination or expiration of this Agreement, you will return to us all copies of all Confidential Information previously received from us; including, without limitation, all Manuals, the Software, and a complete list of past and present customers, including their addresses and telephone

numbers. You will promptly and professionally correspond with all current customers and return all customer property including keys. You will retain all business records described above in Section 12 of this Agreement (including ledgers, sales reports, accounts, and checks) for at least six (6) years after the effective date of termination or expiration and will keep us advised of the location of such records. You will permit us to inspect such records at any time during normal business hours.

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

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

15.5 Covenant Not to Compete. If this Agreement either expires and is not renewed, or is terminated prior to its designated expiration date by us in accordance with the provisions of this Agreement or by you without cause, you agree that for a period of two (2) years, commencing on the earlier of: (i) the effective date of any injunction or other court order against you barring you from conducting the Franchised Business and using the Marks; or (ii) the date on which you cease to conduct the Franchised Business, whether by transfer or otherwise, you will not have any interest as owner (except up to a 5% ownership interest in publicly held corporations registered under the Securities Exchange Act of 1934), partner, director, officer, lender, employee, consultant, representative, or agent, in any other house cleaning or janitorial service business within the Operating Territory, nor will you influence or attempt to influence the customers or former customers to divert their business from us or another Maid Brigade franchise. In addition to the foregoing, you agree that during such two year period, you will not provide consulting services to any residential cleaning business located within 100 miles of any Maid Brigade franchised territory. If all or any portion of a covenant in this Section 15.5 is held unreasonable or unenforceable by a court, agency, or other tribunal having valid jurisdiction in an unappealed final decision to which we are party, you agree to be bound by any lesser covenant that imposes the maximum duty permitted by law, as if the resultant covenant were separately stated in and made a part of this Section 15.5. Furthermore, you acknowledge and agree that we will have the right, in our sole discretion, to reduce the scope of any covenant contained in this Section 15.5 without your consent, effective immediately on your receipt of written notice, and you agree that you will comply forthwith with any covenant so modified.

15.6 Our Right to Purchase. In the event this Agreement is terminated for any reason or is not renewed, we will have the right, but not the obligation, exercisable by written notice delivered to you at any time after delivery of a notice of default under this Agreement or within thirty (30) days after the date of termination or expiration, to purchase all or part of your physical assets used in the Franchised Business except your personal assets. There will be no compensation for goodwill, and the purchase price for such assets will be equal to their fair market value less such goodwill. If you and we cannot agree on the purchase price for the assets that we desire to purchase within ten (10) days following our exercise of our option to buy, an independent appraiser you and we agree on will determine the fair market value, and you and we will share equally the cost of the appraiser. Such appraiser's decision will be final and binding with no appeal therefrom. The closing of the purchase will take place at a location, and on a date, we

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choose in our Reasonable Business Judgment, and will be completed in accordance with all applicable bulk sales legislation. At closing, you will deliver to us a bill of sale for the assets, in a form acceptable to us. We will be entitled to set off against the purchase price any amounts you then owe us or any affiliate of ours, and to pay out of the purchase price any of your unpaid creditors. In addition, and whether or not we purchase your business assets, we have the right, upon termination or non-renewal, to assume your lease for your business premises and take over possession of such premises.

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

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

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

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

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

16.2 By You. You will not assign, pledge, or encumber this Agreement, the Franchise, or the Franchised Business. This Agreement and the Franchise are personal to you and, except as provided in Section 16.3 below, neither this Agreement nor any part of the ownership in the Franchise or the Franchised Business may be voluntarily or involuntarily, directly or indirectly, assigned, subdivided, subfranchised, or otherwise transferred by you (including, without limitation, any such attempted transfer by your personal representatives in the event of your death, or by will, declaration of trust, or the laws of

intestate succession) without our prior written approval, which approval we will not unreasonably withhold or delay. If we grant such approval, it will be conditioned on the following:

(a) You paying us all amounts due and unpaid plus a transfer and training fee of our then current fee; presently our fee is \$9,500. The transfer fee, which will include, but not be limited to, reasonable attorneys' fees actually incurred, the cost of investigating the transferee, and our administrative expenses, including employee salaries, sales staff commissions, travel costs, telephone charges, and out-of-pocket costs, properly attributable to the transfer. The training fee will cover the cost of training the transferee, and which will include, but not be limited to, the training fees and transportation, food, lodging, salary expenses, and benefit costs of our employees involved in such training;

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

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

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

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

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

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

16.3 Assignment to Corporation. A franchisee who is an individual may assign this Agreement without charge, once only, to a newly-formed corporation that will conduct no business other than the Franchised Business, which you actively manage, and in which you own and control all of the equity and voting power. Such assignment will not relieve you of your personal obligations to us under this Agreement. To effectuate this assignment, you and your corporation will execute our then-current form of Corporate Assignment Agreement.

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

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

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

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

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

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

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

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

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

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

(b) Abandon the Franchised Business; or

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

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

## **17. INDEMNIFICATION**

17.1 By Us. We agree to indemnify you against and to reimburse you for all damages for which you are held liable, and all costs you reasonably incur in the defense of any such claim brought against you, in any proceeding arising out of:

(a) Your proper use of the Marks in accordance with this Agreement, subject to the provisions of Section 13.2 of this Agreement;

(b) False representations or warranties we made; or

(c) The negligent or willful acts or omissions of us or our directors, officers, employees, or agents under this Agreement.

We will have the right to participate in, and to control, any litigation or proceeding related to the claim, including the right to compromise or settle such litigation or proceeding, to the extent that we deem necessary or advisable. As a condition of this indemnification, you must timely notify us of a claim subject to indemnification and have otherwise complied with this Agreement.

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

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

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

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

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

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

(f) The negligent operation of the Franchised Business.

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

## **18. MISCELLANEOUS**

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

18.2 Severability. All provisions of this Agreement are severable. In the event that any provision of the Agreement is ruled by a court, agency, or arbitrator having jurisdiction over the subject matter and the parties to be invalid or unenforceable, this Agreement will be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained in this Agreement; and all partially valid and enforceable provisions will be enforced to the extent they are intelligible, valid, and enforceable. If any provision of this Agreement that restricts competitive activity is declared invalid or unenforceable due to its scope, geographic restriction, or length of time, but could be enforceable if any of the foregoing are reduced, you agree that the restrictions will be enforced to the fullest extent permitted by law in the jurisdiction in which we seek enforcement.

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

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

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

18.6 Rights of Parties Are Cumulative. The rights of the parties under this Agreement are cumulative, and no exercise or enforcement by a party of any right or remedy under this Agreement will preclude the exercise or enforcement by that party of any other right or remedy contained in this Agreement, or to which it is entitled by law.

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

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

You acknowledge that we have no control over your hiring and employment practices, all of which are your sole responsibility.

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

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

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

contained in the Franchise Agreement or any related Agreement is intended to disclaim the representations we made in the Franchise Disclosure Document.

18.11 Notices. Any notice, request, or demand that the parties to this Agreement may be required or permitted to give to the other party (collectively the "Notice") will be in writing and will be delivered by: (i) personal delivery; (ii) facsimile transmission; (iii) courier delivery by a national courier service, such as Federal Express, UPS, or Airborne, for overnight delivery; or (iv) prepaid certified mail; and will be deemed given on the earlier of: (a) receipt; (b) refusal to accept delivery; (c) facsimile printout acknowledging receipt of facsimile transmission; or (d) three (3) business days after deposit in the mail. All such notices will be addressed as shown on the first page or Schedule A of this Agreement, to the site of the franchised business in case of notices given to you, or to such other address as may be designated by a party to this Agreement by written notice to the other party.

18.12 Force Majeure. Neither party to this Agreement will be liable for any loss or damage due to any delay in the due performance of the terms of this Agreement (except for the payment of money) by reason of strikes, lockouts, fires, riots, wars, embargoes, civil commotion, or acts of God. Any such delay will extend performance only so long as such event is in progress.

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

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

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

18.16 Successors Bound. This Agreement will inure to the benefit of, and be binding on, the parties to this Agreement and their permitted successors and assigns.

18.17 Governing Law/Venue Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 *et seq.*), or any other federal law, this Agreement will be construed in accordance with, and be governed by the laws of the State of Georgia, without regard to its conflict of law principles. You agree that all actions related to this Agreement will be tried in any state or federal court of general jurisdiction in the County of Fulton, State of Georgia, and you irrevocably submit to the jurisdiction of such courts and waive any objection you may have to the jurisdiction or venue of such court. To the extent permitted by law, and except as otherwise permitted under this Agreement, you and we waive any right or claim for any punitive or multiplied damages against the other and agree that in the event of a dispute between you and us, each will be limited to the recovery of actual damages sustained. Furthermore, you and we, to the extent permitted by law, irrevocably waive trial by jury on any action, proceeding or counterclaim, whether at law or equity, brought by either against the other. To the extent permitted by applicable law, any and all claims related to this Agreement or the relationship

between you and us will be barred unless an action or proceeding is commenced within one year from the date on which you and we knew or should have known, in the exercise of reasonable investigation, of the facts giving rise to such claims. This limitation of claims will not apply to claims or proceedings for the recovery of monies owed under this Agreement.

18.18 Schedules. The following schedules form part of this Agreement:

- Schedule A - Description of The Operating Territory
- Schedule B - State-Specific Amendments
- Schedule C - Telephone Listing Agreement
- Schedule D - Bank Draft Authorization Form
- Schedule E - Personal Guaranty

18.19 Acknowledgments. You acknowledge that you have:

(a) Received a copy of our complete Disclosure Document required by the Federal Trade Commission and the governing authorities of the state in which the Operating Territory will be located at least fourteen (14) calendar days prior to the date on which you executed this Agreement or paid any consideration;

(b) Read and understood this Agreement, and all related agreements, before signing this Agreement;

(c) Been accorded ample time and opportunity to consult with advisers of your own choosing before signing this Agreement;

(d) Received a copy of this Agreement in final form at least five (5) business days before signing it;

(e) Received no representations, promises, guarantees, projections, or warranties of any kind from us to induce the execution of this Agreement or related to this Agreement except as specifically set forth in writing in this Agreement; and

(f) Received no guarantee from us or any other party as to your success in the Franchised Business; and that the number of qualified households within the Operating Territory is not an indicator or predictor of future success.

18.20 Reasonable Business Judgment. “Reasonable Business Judgment” means that our determinations or choices will prevail, even if other alternatives are also reasonable or arguably preferable, if we intend to benefit, or are acting in a way that could benefit, the System (by, for example, enhancing the value of the Marks, increasing customer satisfaction, minimizing possible customer confusion as to the Marks or the location of any Maid Brigade business, or increasing our financial strength). You agree to this concept of Reasonable Business Judgment in acknowledgment of the fact that we should have at least as much discretion in administering the System as a corporate board of directors has in directing a corporation and because the long-term interests of the System and all franchisees and

owners of Franchised Businesses in the System require that we have the latitude to exercise Reasonable Business Judgment. We shall not be required to consider your particular economic or other circumstances or to slight our own economic or other business interests when exercising our Reasonable Business Judgment. You acknowledge that: (i) we have a legitimate interest in seeking to maximize our profit; and (ii) the fact that we benefit economically from an action will not be relevant to showing that we did not exercise Reasonable Business Judgment. Neither you nor any third party (including but not limited to any third party acting as a trier of fact) shall substitute your or its judgment for our Reasonable Business Judgment. You agree that, in a given situation, you have the burden of establishing, by clear and convincing proof, that we failed to exercise Reasonable Business Judgment.

18.21 No Waiver. Nothing in this Agreement or in any related agreement is intended to disclaim our representations made in our Franchise Disclosure Document.

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

**US:**

**YOU:**

MB FRANCHISE HOLDINGS, INC.

\_\_\_\_\_

(Signature)

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

\_\_\_\_\_

Raychel Leong-Sullins

(Print Name)

Its: President

\_\_\_\_\_

(Signature)

\_\_\_\_\_

(Print Name)

**SCHEDULE A**

**MB FRANCHISE HOLDINGS, INC.**

**DESCRIPTION OF THE OPERATING TERRITORY**

The Operating Territory will be:

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

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

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

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

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

INITIAL

\_\_\_\_\_  
Us                      You

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

## SCHEDULE B

### STATE-SPECIFIC AMENDMENTS

#### FOR RESIDENTS OF THE STATE OF CALIFORNIA

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

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

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

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

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

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

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

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

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

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

The Franchise Agreement requires you to execute a general release of claims on renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation

or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order under this Agreement is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000-31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000-20043).

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

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

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

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

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

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

**FOR RESIDENTS OF THE STATE OF ILLINOIS**

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

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

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

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

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

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

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

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

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

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

Notwithstanding any provisions in the Franchise Agreement to the contrary, any claims arising out of the Maryland Franchise Registration and Disclosure Law may be brought within the State of Maryland.

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

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

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

Any acknowledgments or representations of the franchisee made in the franchise agreement which disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation

of the Franchise Law are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

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

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

**US:**

**YOU:**

MAID BRIGADE, INC.

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

\_\_\_\_\_

(Signature) (Date)

Raychel Leong-Sullins (Date)

Its: President

\_\_\_\_\_

(Print Name) (Date)

### Minnesota

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

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

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

[Minnesota Statute 80C.21](#) and [Minnesota Rule 2860.4400\(J\)](#) prohibit the franchiser from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee

to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in [Minnesota Statute 80C](#) or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

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

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

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

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

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

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

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

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

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

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

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming

reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

### **Virginia State Law Appendix**

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

### **Washington State Law Appendix**

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

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

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

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

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

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

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

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

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

The undersigned does hereby acknowledge receipt of this addendum.

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

\_\_\_\_\_

\_\_\_\_\_

FRANCHISOR

FRANCHISEE

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

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

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

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

**US:**

**YOU:**

MB FRANCHISE HOLDINGS, INC.

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

\_\_\_\_\_  
(Signature)

Raychel Leong-Sullins

Its: President

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

**SCHEDULE C**

**MB FRANCHISE HOLDINGS, INC.**

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**TELEPHONE LISTING AGREEMENT**

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**MB FRANCHISE HOLDINGS, INC.**

**TELEPHONE LISTING AGREEMENT**

THIS TELEPHONE LISTING AGREEMENT (the "Listing Agreement") is made and entered into by and between MB FRANCHISE HOLDINGS, INC., a Georgia corporation with its principal place of business at Four Concourse Parkway, Suite 200, Atlanta, Georgia 30328 ("we," "us," or the "Company"), and \_\_\_\_\_ ("you"), whose principal address is shown on Schedule A to that certain Maid Brigade Franchise Agreement dated \_\_\_\_\_ herewith (the "Franchise Agreement").

WITNESSETH:

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

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

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

**1. DEFINITIONS**

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

**2. TRANSFER; APPOINTMENT**

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

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

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

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

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

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

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

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

### **3. MISCELLANEOUS**

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

3.2 Indemnification. You are solely responsible for all costs and expenses related to your performance, your nonperformance, and our enforcement of this Agreement, which costs and expenses you will pay us in full, without defense or setoff, on demand. You agree to indemnify, defend, and hold harmless us, our affiliates, directors, officers, shareholders, employees, and agents, and the successors and assigns of us and any of them, against, and to reimburse us and them for, all loss, claims, or obligations

that are related to or are based this Listing Agreement. For purposes of this indemnification, “loss, claims, or obligations” will have the same meaning as set forth in Section 17.2 of the Franchise Agreement.

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

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

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

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

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

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

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

**US:**

**YOU:**

MB FRANCHISE HOLDINGS, INC.

\_\_\_\_\_  
(Signature)

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

\_\_\_\_\_  
(Print Name)

Raychel Leong-Sullins

Its: President

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(Signature)

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(Print Name)

**SCHEDULE D**

**MB FRANCHISE HOLDINGS, INC.**

**BANK DRAFT FORM**

**ELECTRONIC FUNDS TRANSFER (EFT) AUTHORIZATION**

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**Franchisee Information:**

---

Franchisee Name

Facility No.

---

Franchisee Mailing Address (street)  
Phone No.

Franchisee

---

Franchisee Mailing Address (city, state, zip)

---

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

---

Franchisee Fax No.  
mail Address

Franchisee E-

---

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**Bank Account Information:**

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Bank Name

Bank Account No.

---

Bank Mailing Address (street)

Bank Routing No.

[:           ]:

(9 characters)

---

Bank Mailing Address (city, state, zip)

Bank Phone No.

---

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

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**Authorization:**

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

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

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

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

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**INDEMNIFICATION OF BANK**

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

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

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

**Personal Guaranty**

## PERSONAL GUARANTY

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

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

including any extensions or renewals of the Franchise Agreement, including renewals effected by the execution of a replacement Franchise Agreement, which the undersigned hereby specifically guarantees. The undersigned expressly acknowledge that the obligations under this guarantee provision survive the expiration or termination of the Franchise Agreement.

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

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

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

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

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

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

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

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

GUARANTOR(S)

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

## **EXHIBIT C**

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

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#### **CORPORATE ASSIGNMENT AGREEMENT**

**MAID BRIGADE, INC.**

**CORPORATE ASSIGNMENT AGREEMENT**

THIS ASSIGNMENT AGREEMENT (the "Assignment") is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 202\_\_ (the "Effective Date"), by and among MB FRANCHISE HOLDINGS, INC., a Georgia corporation with its principal place of business at Four Concourse Parkway, Suite 200, Atlanta, Georgia 30328 ("Franchisor"); \_\_\_\_\_, whose principal address is set forth in Schedule A to the Franchise Agreement (as described in the Recitals of this Assignment, below) ("Franchisee"); and \_\_\_\_\_, whose principal address is \_\_\_\_\_ ("Assignee").

**WITNESSETH:**

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

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

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

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

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

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

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

3. Acceptance. Assignee hereby accepts the transfer and assignment from Franchisee, effective as of the Effective Date, of all right, title, and interest of Franchisee in and to the Franchise Agreement and the Franchise granted therein, as set forth in Section 1 of this Assignment.

4. Consent. Franchisor hereby consents to the transfer and assignment to Assignee, effective as of the Effective Date, of all right, title, and interest of Franchisee in and to the Franchise Agreement and the Franchise granted therein, as set forth in Section 1 of this Assignment, subject to the terms and conditions of this Assignment.

5. Joint and Several Liability. Franchisee and Assignee agree that as of the Effective Date, Franchisee and Assignee shall be jointly and severally liable for the observation and performance of all covenants and obligations owed to Franchisor under the Franchise Agreement. Nothing set forth in this Assignment shall be deemed or construed to relieve or release Franchisee from any of Franchisee's obligations set forth in the Franchise Agreement.

6. Covenants and Warranties of Assignee and Franchisee. Assignee and the Franchisee jointly and severally covenant and warrant that for so long as said Franchise Agreement remains in effect:

6.1 Franchisee and Assignee shall not, directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise, sell, assign, transfer, convey, donate, pledge, mortgage, or otherwise encumber any shares of Assignee without first obtaining Franchisor's written consent.

6.2 Franchisee shall continue to own beneficially and to control the majority of the issued voting shares of Assignee. For the purposes of this Section 6 of this Assignment, "voting shares" shall include shares of any class or classes of stock, however designated, having ordinary voting power under all circumstances, the exercise of which voting power is not restrained by the existence of any agreement, whether written or oral.

6.3 Franchisee and Assignee shall not permit, without first obtaining Franchisor's written consent, any transfer or issue of any shares of the Assignee. In the event Franchisor grants such consent, Franchisee and Assignee shall cause the new shareholder duly to execute a written agreement with Franchisor undertaking to be bound by the restrictions on any change in control of Assignee and the covenants of non-competition and confidentiality set forth in the Franchise Agreement. On the appointment or election of any person as a director or officer of Assignee, Franchisee and Assignee shall cause such person to execute a written agreement with Franchisor, pursuant to which such person agrees to be bound by the covenants of non-competition and confidentiality set forth in the Franchise Agreement.

6.4 Assignee shall furnish to Franchisor, prior to the execution of this Assignment and forthwith on any and all transfers or issuances of shares of the Assignee, a list of all shareholders having an interest in Assignee, which list shall reflect: (i) the percentage interest of each shareholder; and (ii) the number of shares directly or indirectly owned or controlled by each such shareholder.

6.5 Except as set forth in the Franchise Agreement, Assignee will not use the Marks, or any name deceptively similar thereto, as part of its corporate name or trade name.

7. Further Covenants and Warranties of Assignee. Assignee further covenants and warrants that it will, at all times after the Effective Date, observe and perform each and all of the covenants and obligations of Franchisee set forth in the Franchise Agreement; including, without limiting the generality

of the foregoing: (i) paying to Franchisor all sums to be paid by Franchisee set forth therein, including all initial franchise fees, Royalty and Service Fees, and Advertising Fees; and (ii) fulfilling the Local Advertising Requirement.

8. Limitation. Franchisor's consent set forth in this Assignment shall not be construed as a waiver by Franchisor of the necessity for its consent to any further assignment of the Franchise Agreement, which further assignment shall be effected only in accordance with the terms set forth in the Franchise Agreement.

9. Release. Franchisee and Assignee hereby release, remise, acquit, and forever discharge Franchisor and its directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertable in, or in any way related to the Franchise Agreement or this Assignment.

10. Transfer of Assets. Franchisee shall, as of the Effective Date, transfer to Assignee all of its right, title, and interest in and to its assets used in its Maid Brigade Franchised Business set forth in the Franchise Agreement.

11. Execution. This Assignment shall not be effective until executed and delivered by Franchisor.

12. Notices. All notices, requests, demands, or other communications to be delivered to the parties hereto shall be delivered in the same manner as described in the Franchise Agreement, with the Assignee's address for service as set forth in the caption of this Assignment.

13. Acknowledgment. Assignee acknowledges that it has received a copy of the Franchise Agreement and is familiar with, and agrees to abide by, the obligations on, and covenants of, Franchisee as set forth therein.

14. Relationship Between Agreements. If there is any conflict between the provisions of this Assignment and the Franchise Agreement, the provisions of this Assignment shall prevail.

15. Time. Time shall be of the essence in this Assignment.

16. Governing Law. This Assignment shall be governed by and construed in accordance with the internal laws of the State of Georgia, without reference to its choice of law principles.

17. Successors and Assigns. This Assignment shall inure to the benefit of Franchisor and its successors and assigns, and shall be binding on Franchisee, Assignee and their respective permitted successors, assigns, and legal representatives.

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

**FRANCHISOR:**

**FRANCHISEE:**

MB FRANCHISE HOLDINGS, INC. \_\_\_\_\_

(Signature)

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

\_\_\_\_\_

Raychel Leong-Sullins

(Print Name)

Its: President

**ASSIGNEE:**

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

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

## **EXHIBIT D**

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

#### **FINANCIAL STATEMENTS**

With respect to the September 30, 2024 financial statements, THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

2:49 PM  
11/07/24  
Accrual Basis

**Maid Brigade Inc.**  
**Profit & Loss**  
January through September 2024

	<u>Jan - Sep 24</u>
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
6100-Royalty Income	2,661,486.17
6200- Franchise Sales	133,788.00
6900- Other Income	127,524.08
62000 · Company Owned Income	<u>2,469,769.47</u>
<b>Total Income</b>	<u>5,392,567.72</u>
<b>Gross Profit</b>	5,392,567.72
<b>Expense</b>	
7200-Franchise Sale Expense	216,341.72
7900- Other Expense	17,062.15
8100- Advertising & Marketing	50,771.23
8120- Accounting	200,306.25
8130- Franchise Support	162,463.04
8140- Employee Benefits	157,379.66
8150- Legal	50,578.76
8160- Office Expense	37,375.08
8190- Rent	97,002.61
8300- Salaries	457,603.34
8320-Payroll Taxes	60,834.65
8350- Communications	37,336.60
8360-Taxes & Insurance	56,687.66
8380-Travel & Meetings	20,593.09
8400- Convention Expense	7,106.00
8500-Project Development	10,000.00
8950-Miscellaneous Expense	35,228.66
9940-401K Plan	9,657.52
73000 · Company Owned Expense	2,437,980.68
8959 · Miscellaneous	<u>0.00</u>
<b>Total Expense</b>	<u>4,122,308.70</u>
<b>Net Ordinary Income</b>	<u>1,270,259.02</u>
<b>Net Income</b>	<u><u>1,270,259.02</u></u>

**Maid Brigade Inc.**  
**Balance Sheet**  
 As of September 30, 2024

	<b>Sep 30, 24</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
1000-Checking Accounts	379,257.90
<b>Total Checking/Savings</b>	379,257.90
<b>Accounts Receivable</b>	
1200 · Accounts Receivable General	94,462.98
1210 · Intercompany A/R	155,189.29
<b>Total Accounts Receivable</b>	249,652.27
<b>Other Current Assets</b>	
1500 · Due From Officers	49,625.41
1510 · Inventory Asset	-0.24
3500 · Loan Receivable-Miami	25,000.00
<b>Total Other Current Assets</b>	74,625.17
<b>Total Current Assets</b>	703,535.34
<b>Fixed Assets</b>	
2500 · Fixed Assets	59,846.00
<b>Total Fixed Assets</b>	59,846.00
<b>Other Assets</b>	
2300 · Notes Receivable	5,463.00
2700 · ROU Asset	430,339.00
2800 · Deposits	1,748.55
2901 · Investment in NRC	-63,613.31
2902 · Deferred Tax Asset Account	9,653.00
<b>Total Other Assets</b>	383,590.24
<b>TOTAL ASSETS</b>	<b>1,146,971.58</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
2000 · Accounts Payable	502,525.96
<b>Total Accounts Payable</b>	502,525.96
<b>Other Current Liabilities</b>	
24000 · Payroll Liabilities	14.90
3001 · Lease Liability-ST	318,286.00
3302 · Franchise Sale Pass Through	29,989.99
3303 · BT-Income Tax Payable	3,032.00
3331 · Other Current Liability	-923.90
3333 · Ad Fund Payable	205,149.53
3850 · Distribution Payable	-7,088.00
4350 · P/R Liability	7,708.00
9999X · NRC Adjustment for P&L	-1,887.35
9999Y · Maid Brigade Oper. Acct. Adj.	-36,267.07
9999Z · RBC Account Adj.	20,773.79
<b>Total Other Current Liabilities</b>	538,787.89
<b>Total Current Liabilities</b>	1,041,313.85
<b>Long Term Liabilities</b>	
5301 · Lease Liability-LT	128,053.00
<b>Total Long Term Liabilities</b>	128,053.00
<b>Total Liabilities</b>	1,169,366.85

2:51 PM  
11/07/24  
Accrual Basis

**Maid Brigade Inc.**  
**Balance Sheet**  
As of September 30, 2024

	<u>Sep 30, 24</u>
<b>Equity</b>	
3000 · Opening Balance Equity	831,883.86
5100 · Common Stock	6,899.00
5200 · Additional Paid in Capital	40,000.00
5300 · Profit or Loss/Company Owned	-31,788.79
5800 · Shareholder Distribution	-19,515,995.66
5900 · Retained Earnings	17,376,347.30
Net Income	1,270,259.02
<b>Total Equity</b>	<u>-22,395.27</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>1,146,971.58</u></u>

**Maid Brigade, Inc. and Subsidiary**

**Consolidated Financial Statements**

**December 31, 2023, 2022 and 2021**





## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors and Stockholders of  
Maid Brigade, Inc.

### ***Opinion***

We have audited the accompanying consolidated financial statements of Maid Brigade, Inc. and Subsidiary (the Company), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the related consolidated statements of operations, changes in stockholders' equity and cash flows for each of the three years in the period ended December 31, 2023, 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 financial position of Maid Brigade, Inc. and Subsidiary as of December 31, 2023 and 2022, and the results of their operations and cash flows for each of the three years in the period ended December 31, 2023 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 the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are 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 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 the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

*Bennett Thrasher LLP*

May 14, 2024

# Maid Brigade, Inc. and Subsidiary

## Consolidated Balance Sheets December 31, 2023 and 2022

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<b>Assets</b>	<b>2023</b>	<b>2022</b>
Current assets:		
Cash and cash equivalents	\$ 597,121	\$ 648,839
Prepaid expenses	-	73,675
Accounts receivable	<u>72,842</u>	<u>95,805</u>
Total current assets	669,963	818,319
Property and equipment, net	304,912	98,823
Notes receivable	-	5,463
Deferred tax asset	79,989	9,653
Operating lease right-of-use asset, net	411,981	452,785
Investments	162,794	422,794
Other assets	<u>31,810</u>	<u>11,226</u>
Total assets	<u>\$ 1,661,449</u>	<u>\$ 1,819,063</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 962,036	\$ 669,768
Current portion of operating lease liability	<u>208,616</u>	<u>341,003</u>
Total current liabilities	1,170,652	1,010,771
Operating lease liability, net of current portion	<u>213,175</u>	<u>128,053</u>
Total liabilities	<u>1,383,827</u>	<u>1,138,824</u>
Commitments and contingencies (Note 6)		
Stockholders' equity:		
Common stock, no par value, 1,000 shares authorized, issued and outstanding	46,899	46,899
Retained earnings	<u>230,723</u>	<u>633,340</u>
Total stockholders' equity	<u>277,622</u>	<u>680,239</u>
Total liabilities and stockholders' equity	<u>\$ 1,661,449</u>	<u>\$ 1,819,063</u>

*See accompanying notes to the consolidated financial statements.*

## Maid Brigade, Inc. and Subsidiary

### Consolidated Statements of Income For the Years Ended December 31, 2023, 2022 and 2021

	2023	2022	2021
Revenues:			
Franchise and royalty fees	\$ 3,849,489	\$ 3,765,511	\$ 3,787,868
Product sales	-	30,326	231,496
Advertising fees	790,427	750,376	770,094
Other	<u>154,405</u>	<u>285,434</u>	<u>196,239</u>
Total revenues	4,794,321	4,831,647	4,985,697
Cost of sales	<u>571,831</u>	<u>524,391</u>	<u>695,707</u>
Gross profit	4,222,490	4,307,256	4,289,990
Selling, general and administrative expenses	<u>2,991,542</u>	<u>2,870,514</u>	<u>2,730,993</u>
Income from operations	1,230,948	1,436,742	1,558,997
Paycheck protection program loan forgiveness	-	170,200	772,204
Other income (expense), net	<u>(32,397)</u>	<u>376,822</u>	<u>(58,452)</u>
Income before provision for income taxes	1,198,551	1,983,764	2,272,749
Income tax (expense) benefit	<u>69,412</u>	<u>(29,240)</u>	<u>(13,139)</u>
Net income	<u>\$ 1,267,963</u>	<u>\$ 1,954,524</u>	<u>\$ 2,259,610</u>

*See accompanying notes to the consolidated financial statements.*

## Maid Brigade, Inc. and Subsidiary

### Statements of Stockholders' Equity

For the Years Ended December 31, 2023, 2022 and 2021

	Common Stock		Retained Earnings	Total Stockholders' Equity
	Shares	Amount		
Balances at December 31, 2020	1,000	\$ 46,899	\$ 201,722	\$ 248,621
Net income	-	-	2,259,610	2,259,610
Distributions to shareholders	-	-	(1,647,146)	(1,647,146)
Balances at December 31, 2021	1,000	46,899	814,186	861,085
Net income	-	-	1,954,524	1,954,524
Distributions to shareholders	-	-	(2,135,370)	(2,135,370)
Balances at December 31, 2022	1,000	46,899	633,340	680,239
Net income	-	-	1,267,963	1,267,963
Distributions to shareholders	-	-	(1,670,580)	(1,670,580)
Balances at December 31, 2023	<u>1,000</u>	<u>\$ 46,899</u>	<u>\$ 230,723</u>	<u>\$ 277,622</u>

*See accompanying notes to the consolidated financial statements.*

## Maid Brigade, Inc. and Subsidiary

### Consolidated Statements of Cash Flows For the Years Ended December 31, 2023, 2022 and 2021

	2023	2022	2021
Cash flows from operating activities:			
Net income	\$ 1,267,963	\$ 1,954,524	\$ 2,259,610
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	57,194	33,247	33,192
Non-cash operating lease expense	176,385	147,964	-
Gain on Paycheck Protection Program loan forgiveness	-	(170,200)	(772,204)
Deferred income taxes	(70,336)	26,208	13,139
Other non-cash expenses	-	3,348	-
Unrealized gains on investments	-	-	-
Changes in operating assets and liabilities:			
Prepaid expenses	73,675	40,970	(114,645)
Accounts receivable	28,426	(28,502)	(18,361)
Other assets	(20,584)	5,308	(3,404)
Accounts payable and accrued expenses	292,268	99,107	77,240
Operating lease liabilities	(182,846)	(141,725)	-
Deferred franchise fees	-	-	-
Net cash provided by operating activities	<u>1,622,145</u>	<u>1,947,455</u>	<u>1,474,567</u>
Cash flows from investing activities:			
Proceeds from (purchases of) investments	260,000	(400,000)	-
Purchases of property and equipment	<u>(263,283)</u>	<u>(19,227)</u>	<u>(13,232)</u>
Net cash used in investing activities	<u>(3,283)</u>	<u>(419,227)</u>	<u>(13,232)</u>
Cash flows from financing activities:			
Payments on notes receivable	-	6,167	1,217
Payments on capital lease obligations	-	-	(15,382)
Payment on note payable	-	(1,743)	(20,912)
Borrowings from Paycheck Protection Program loans	-	-	471,192
Distributions to shareholders	<u>(1,670,580)</u>	<u>(2,135,370)</u>	<u>(1,647,146)</u>
Net cash used in financing activities	<u>(1,670,580)</u>	<u>(2,130,946)</u>	<u>(1,211,031)</u>
Increase (decrease) in cash and cash equivalents	(51,718)	(602,718)	250,304
Cash and cash equivalents, beginning of the year	<u>648,839</u>	<u>1,251,557</u>	<u>1,001,253</u>
Cash and cash equivalents, end of the year	<u>\$ 597,121</u>	<u>\$ 648,839</u>	<u>\$ 1,251,557</u>
<b>Supplemental Cash Flow Disclosure</b>			
Addition of operating lease right-of-use asset	<u>\$ 135,581</u>	<u>\$ 600,749</u>	<u>\$ -</u>

See accompanying notes to the consolidated financial statements.

# Maid Brigade, Inc. and Subsidiary

## Notes to Consolidated Financial Statements December 31, 2023 and 2022

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### Note 1: Description of Business and Summary of Significant Accounting Policies

#### Description of Business

Maid Brigade, Inc. (the Company) franchises light household cleaning businesses and offers proprietary and other household products under the name “Maid Brigade.” The Company was originally incorporated in the State of Delaware under the name of The Maid Brigade Systems, Inc. on February 8, 1982. The Company changed its name to Maid Brigade, Inc. on February 1, 2005. As of December 31, 2023 and 2022, the Company operated 317 and 354 outlets, respectively, in thirty-one states and Canada. Outlets are defined as individual franchised businesses that cover a specific territory as outlined in the franchise agreements. In 2012, the Company began offering “Maid Simple” franchises for which the Company performs certain administrative functions in return for a royalty ranging from 15-25%. Substantially all revenues are derived from franchise royalties, sales of franchise rights, sales of cleaning products, printing and promotional items, and information systems and related services used in their operations.

During 2019, the Company assumed the operation of a franchisee in Miami, FL through a wholly owned limited liability company, MB of Miami, LLC (Miami). No consideration was transferred, and the results of operations are included in other, net in the accompanying consolidated statements of income which included \$626,435, \$724,436, and \$780,607 in revenue and \$683,316, \$573,381, and \$847,962 in operating expenses related to the franchised outlets in 2023, 2022 and 2021, respectively.

During 2020, the Company assumed the operation of a franchisee in Nashville, TN through a wholly owned limited liability company, MB Nashville Franchise, LLC (Nashville). No consideration was transferred, and the results of operations are included in other, net in the accompanying consolidated statements of income, which included \$854,793, \$865,564 and \$893,544 in revenue and \$804,695, \$664,458 and \$844,833 in operating expenses related to the franchised outlets in 2023, 2022 and 2021, respectively.

Concurrent with the assumption of the Nashville, TN franchisee, the Company formed MB Franchise Holdings, Inc. (Holdings) and contributed both Miami and Nashville to Holdings in a tax-free exchange. Holdings was incorporated on May 19, 2020 in Georgia and is wholly owned by Maid Brigade, Inc.

#### Basis of Presentation and Principles of Consolidation

The consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States (GAAP). The consolidated financial statements include the accounts of Maid Brigade, Inc. and its wholly owned subsidiary MB Franchise Holdings, Inc. (collectively, the Company). MB Franchise Holdings, Inc. is the parent of MB of Miami, LLC and MB Nashville Franchise, LLC. All intercompany accounts and transactions have been eliminated in consolidation.

## **Use of Estimates**

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

## **Revenue and Cost Recognition**

The principal sources of revenue for the Company are royalty fees, franchise fees, and related product sales.

The Company receives an initial franchise fee as provided by the franchise agreement the Company enters into with franchisees. Upon execution of a franchise agreement, the franchise fee is due in full. Franchise fees generally include assisting in site selection, providing the initial inventory or cleaning supplies and cleaning equipment, training personnel, and assisting in the implementation and maintenance of operations and accounting systems. Franchise fees vary based on the number of “Qualified Households” as defined in the franchise agreement.

In January 2021, FASB issued ASU 2021-02, *Revenue from Contracts with Customers* (Subtopic 952-606): Practical Expedient. The practical expedient allows private companies to recognize initial franchise fees when all material services or conditions relating to the sale of the franchise had been substantially performed or satisfied by the Company, which is generally when a new franchise outlet opened and is consistent with previous guidance.

The franchise agreement is renewable upon execution of the current franchise agreement subject to a renewal fee, as defined. The Company provides the use of the Maid Brigade trademarks, system, training, pre-opening assistance, and operating assistance in exchange for the initial franchise fee and royalty fees ranging from the greater of 3.5% to 6.9% of gross sales or a required minimum fee, as defined within the individual franchise agreements. Franchise royalties are accrued as earned and are calculated each period, weekly, based on a percentage of outlet sales, as defined.

Product sales are primarily comprised of cleaning chemicals, supplies, equipment, office supplies, and miscellaneous materials that are sold to franchised businesses and are recognized as revenue upon shipment of the related products.

Advertising fees are charged to franchisees based on a specified percentage of gross sales (up to 2%) as defined in the individual franchise agreements. Advertising fees are used for marketing and advertising efforts throughout the system as required by the franchise agreement and are recorded gross in the accompanying consolidated statements of income.

Included in other revenues are technology and franchise transfer fees pursuant to the individual franchise agreements. Transfer fees are recognized upon execution of transfer agreements and technology fees are recognized as earned.

Cost of sales includes the cost of materials, adjusted for periodic inventory valuations, and direct costs associated with franchise support. Operating expenses are charged to expense as incurred.

## **Franchise Operations**

The Company enters into franchise agreements with unrelated third parties to operate household cleaning businesses using a Company brand within a defined geographical area. The Company believes that franchising is an effective and efficient means to expand the Maid Brigade brand. The franchisee is required to operate their business in compliance with a franchise agreement that includes adherence to operating and quality control procedures established by the Company. If a franchisee becomes financially distressed, the Company generally does not provide any financial assistance. If financial distress leads to a franchisee's noncompliance with the franchise agreement and the Company elects to terminate the franchise agreement, the Company has the right but not the obligation to acquire the assets of the franchisee at fair value as determined by an independent appraiser. The Company has financial exposure for the collection of the royalty payments. Franchisees generally remit royalty payments weekly for the prior week's sales, which substantially minimizes the Company's financial exposure or at least enables the Company to quickly identify any troubled franchisees. Franchise fees are paid upon the signing of the related agreements.

## **Cash and Cash Equivalents**

Cash and cash equivalents consist of highly liquid investments with maturities of three months or less at the date of purchase. These investments are carried at cost, which approximates fair value. At times, cash and cash equivalent balances may exceed federally insured amounts. The Company mitigates its risks by depositing cash and investing in cash equivalents with major financial institutions.

## **Investments**

The Company records its investments at fair value, with unrealized gains or losses being recorded as a component of other income in the accompanying consolidated statements of operations. As of December 31, 2023, and 2022 investments totaled \$162,794 and \$422,794, respectively. During the year ended December 31, 2023, and 2022 the Company recognized \$9,002 and \$22,794 in unrealized losses and gains, respectively, which is included as a component of other income in the accompanying consolidated statements of operations.

## **Accounts Receivable**

The Company performs services on credit to qualified customers. Credit to customers, when extended, is based on the evaluation of the customer's financial condition and credit worthiness. Accounts receivable are recorded at invoiced amounts and do not bear interest.

The Company maintains allowances for credit losses resulting from the inability of its customers to make required payments. Management considers the collectability of specific customer accounts based on customer credit worthiness, past transaction history, current economic industry trends, and changes in customer payment terms. When an account is deemed uncollectible it is written off against the allowance. The Company credits payments subsequently received on such receivables to bad debt expense in the period received, if any. The Company considers the receivables to be fully collectable. Accordingly, no allowance for credit losses was provided.

## **Property and Equipment**

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is primarily provided using the straight-line method over the estimated useful lives of the assets (generally two to three years for computers and software and five years for furniture and other equipment). Leasehold improvements are amortized using the straight-line method over the lesser of the term of the lease, without consideration of renewal options, or the estimated useful lives of the assets. Maintenance and repairs are expensed as incurred. Upon retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the respective accounts and the related gains or losses are credited or charged to earnings.

## **Website Development Costs**

The Company capitalized the costs of developing its website, which primarily included external direct costs for related development services. The Company amortizes these costs over the estimated useful life of three years, beginning when the website is ready for its intended use. Costs associated with developing the Company's website are expensed until the point at which the project has reached the development stage. Subsequent additions, modifications or upgrades to the Company's website are capitalized only to the extent that they allow the website to perform a task it previously did not perform. Website maintenance and training costs are expensed in the period in which they are incurred.

## **Note Receivable**

In limited situations, the Company may offer financing of the initial franchise fees. The note receivable for franchise fees included on the accompanying consolidated balance sheets at December 31, 2022 was receivable in monthly installments over 36-month periods ending October 2022. No interest was applied to the loans unless the franchisee misses a payment, in which case the Company would charge a 10% penalty and interest rate of 9%. As of the year ended December 31, 2022, the note receivable related to initial franchise fees totaled \$5,463. The amount was paid off in 2023.

## **Impairment of Long-Lived Assets**

The recoverability of long-lived assets is evaluated if impairment indicators exist. Indicators of impairment include historical financial performance, operating trends, and future operating plans. If impairment indicators exist, the Company evaluates the recoverability of long-lived assets on an operating unit basis based on undiscounted expected future cash flows before interest for the expected remaining useful life of the operating unit. Recorded values for long-lived assets that are not expected to be recovered through undiscounted future cash flows are written down to current fair value, which is generally determined from estimated discounted future net cash flows for assets held for use or estimated net realizable value for assets held for sale. In the opinion of management, no long-lived assets were deemed to be impaired at December 31, 2023 or 2022.

## **Advertising Fund**

The Company maintains a system-wide Advertising Fund (Advertising Fund). The Advertising Fund is responsible for developing and conducting marketing and advertising for the Maid Brigade system. Franchised outlets are required to remit a designated percentage of gross sales (up to 2%) to the Advertising Fund, which is included in the accompanying consolidated financial statements as advertising fees when determinable. In addition, the Advertising Fund receives digital service fees from franchised outlets for the placement of social media and other direct marketing advertisements which are included in the accompanying consolidated financial statements as advertising fees. Advertising obligations are accrued, and the costs are expensed at the same time the related revenue is recognized. Advertising expense for the years ended December 31, 2023, 2022, and 2021 was \$805,818, \$786,528, and \$803,347, respectively, and is included in selling, general and administrative expenses in the accompanying statements of income. Advertising expense includes \$790,427, \$750,376, and \$770,094, of expense related to the Advertising Fund for the years ended December 31, 2023, 2022, and 2021, respectively.

As of December 31, 2023 and 2022, the Company recorded a liability of \$196,762 and \$159,242, respectively, related to net excess contributions to the Advertising Fund which is included as a component of accounts payable and accrued expenses in the accompanying consolidated balance sheets.

## **Income Taxes**

The Company is an S corporation, with the exception of Holdings, under the Internal Revenue Code for Federal and state income tax purposes. Accordingly, the Company has not recorded a Federal tax provision. The taxable income or loss of the Company will be included in the Federal tax returns of the Company's stockholders.

Income taxes for Holdings is accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized income in the period that includes the enactment date.

The Company has adopted the provisions of FASB Accounting Standards Codification (ASC) 740, *Income Taxes*. FASB ASC 740 requires that a tax position be recognized or derecognized on a "more-likely-than-not" threshold. This applies to positions taken or expected to be taken in a tax return including determining the appropriate entity classification. The Company does not believe its consolidated financial statements include any material uncertain tax positions. The Company files income tax returns in the Federal jurisdiction, and various state jurisdictions. With few exceptions, the Company is no longer subject to Federal and state income tax examinations by tax authorities for years prior to 2020.

## **Employee Retention Credit (ERC)**

The Coronavirus Aid, Relief and Economic Security Act (the CARES Act) allows for a refundable tax credit against certain employee taxes equal to 50% of 70% of qualified wages an eligible employer pays to employees during the period from March 13, 2020 through September 30, 2021. For each eligible employee, wages of up to \$10,000 can be counted to determine the amount of the credit. During 2022, the Company received \$541,181 relating to ERC claims which was recorded as a reduction of payroll expense in the accompanying statements of operations.

Laws and regulations concerning government programs, including the ERC established under the CARES Act, are complex and subject to varying interpretations. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge the Company's claim to the ERC, and it is not possible to determine the impact (if any) this would have upon the Company.

## **Subsequent Events**

The Company has evaluated for subsequent events between the balance sheet date of December 31, 2023 and the date of the report, the date the consolidated financial statements were available for issuance and has concluded that all subsequent events requiring recognition or disclosure have been incorporated into these consolidated financial statements.

## Note 2: Property and Equipment

Property and equipment consisted of the following at December 31:

	2023	2022
Computers and software	\$ 514,283	\$ 252,033
Leasehold improvements	33,889	33,889
Furniture and other equipment	<u>140,737</u>	<u>139,704</u>
	688,909	425,626
Less accumulated depreciation and amortization	<u>(383,997)</u>	<u>(326,803)</u>
	<u>\$ 304,912</u>	<u>\$ 98,823</u>

Depreciation and amortization expense associated with property and equipment totaled \$57,194, \$33,247, and \$33,192 for the years ended December 31, 2023, 2022 and 2021, respectively.

## Note 3: Fair Value Measurement

The Company applies fair value measurement accounting with respect to financial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis, and non-financial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a non-recurring basis.

The fair value measurement guidance defines fair value, establishes a framework for measuring fair value, and expands disclosure requirements about fair value measurements. Under the guidance, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The guidance also establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs market participants would use in valuing the asset or liability, developed based on market data obtained from independent sources. Unobservable inputs are inputs that reflect management's assumptions about the factors market participants would use in valuing the asset or liability, developed based upon the best information available in the circumstances. The fair value hierarchy prescribed by the guidance is broken down into three levels as follows:

Level 1 - Unadjusted quoted prices in an active market for the identical assets or liabilities at the measurement date.

Level 2 - Other observable inputs available at the measurement date, other than quoted prices included in Level 1, either directly or indirectly, including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets in nonactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3 - Unobservable inputs that reflect the use of significant management judgment. These values are generally determined using pricing models for which assumptions utilize management's estimates of market participant assumptions.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Company has Level 1 investments. The measurements of the Company's Level 1 investments for 2023 and 2022 were based on quoted market prices which qualified as Level 1 securities. Level 1 investments as of December 31, 2023 and 2022 totaled \$162,794 and \$422,794, respectively.

#### **Note 4: Paycheck Protection Program Loan**

On March 27, 2020, the United States Congress passed, and the President signed into law, the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The CARES Act established the Paycheck Protection Program, which expands eligibility for Small Business Administration (SBA) loans. These loans are guaranteed by the SBA and are to be forgiven as long as the proceeds are used to cover payroll costs, mortgage interest, rent and utility costs over an 8-24 week period following the date of the loan. In April 2020, the Company was accepted for a loan under the PPP for a total value of \$471,212. In December 2020, Congress passed the Consolidated Appropriations Act, 2021 (the CAA) which allows for second draw loans under the PPP based on certain requirements, among others.

The Company completed the application for and received the second draw loans totaling \$471,192 in 2021 pursuant to the program provisions. Management has used the proceeds solely to cover costs that allow the loan to be fully forgiven by the SBA. In 2023, 2022 and 2021 the SBA granted forgiveness to the Company for borrowings totaling \$0, \$170,200 and \$772,204, respectively, including accrued interest. The Company recorded a gain of \$0, \$170,200 and \$772,204, for the years ended December 31, 2023, December 31, 2022, and December 31, 2021, respectively, as a result of the forgiveness of the loans.

#### **Note 5: Income Taxes**

The Company, with the exception of Holdings, has elected to be treated as an S corporation, whereby its profits and losses flow through to the shareholders of the Company and are generally taxed to them personally. Holdings operates as a C Corporation and as a result income taxes currently payable and deferred income taxes were recorded in the Company's consolidated financial statements.

During 2023, 2022, and 2021 the Company recorded income tax (expense) benefit of \$69,412, (\$29,240), and (\$13,139), respectively, primarily relating to deferred taxes associated with Holdings net operating losses (NOL) during 2022 and 2021 and subsequent utilization of these NOL's to offset 2023 and 2022 net taxable income of Holdings. As of December 31, 2023 and 2022, the Company has NOL carryforwards for income tax purposes totaling \$372,410 and \$28,139, respectively, which are available to offset future taxable income and are indefinite lived. The net deferred tax asset balances at December 31, 2023 and 2022 are comprised of the deferred taxes associated with NOL carryforwards and property and equipment depreciation.

#### **Note 6: Commitments and Contingencies**

##### **Operating Leases**

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. The Company's leases may include options to extend or terminate the lease. These options to extend are included in the lease term when it is reasonably certain that the option will be exercised. While some leases provide for variable payments, they are not included in the ROU asset and liabilities because they are not based on an index or rate.

The Company has made an accounting policy election to not recognize ROU assets and liabilities for leases with a term of 12 months or less unless the lease includes an option to renew or purchase the underlying asset that is reasonably certain to be exercised. The Company has also elected not to separate non-lease components from the associated lease components and instead account for each separate lease component and its associated non-lease component as a single lease component in determination of lease liabilities and corresponding ROU assets.

The Company leases certain office facilities under non-cancelable operating lease agreements that expire at various dates through March 2026. Rental escalations, renewal options and termination options, when applicable, have been factored into the Company's determination of lease payments when appropriate. The Company has made the private company election to apply the risk-free rate to discount lease payments to present value.

Future operating lease payments as of December 31, 2023 are as follows:

Year Ending December 31,

2024	\$ 174,320
2025	163,837
2026	59,803
2027	24,561
2028	<u>14,575</u>
Total minimum operating lease payments	437,096
Less: imputed interest	<u>15,305</u>
Present value of minimum operating lease payments	421,791
Less: current portion	<u>208,616</u>
Long-term operating lease obligations	<u>\$ 213,175</u>

As of December 31, 2023, and 2022 the weighted average discount rate used was 1.91% and 1.21%, respectively, and the weighted average remaining lease term was 2.87 years and 3.12 years, respectively. Operating lease cost totaled \$176,819 and \$178,529, of which \$122,499 and \$128,467 relates to Maid Brigade, includes short-term leases and is included in selling, general and administrative expenses for the years ended December 31, 2023 and 2022, respectively. Operating leases cost of \$54,320 and \$50,062 relates to Miami and Nashville and is included in other, net in the accompanying statements of income for the years ended December 31, 2023 and 2022. Rent expense under operating leases totaled \$170,358, and \$174,387 for the years ended December 31, 2023 and 2022, respectively, and is included in selling, general and administrative expenses in the accompanying statements of income.

### **Litigation**

The Company is subject to various claims and legal proceedings covering a wide range of matters that arise in the ordinary course of its business activities. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition or results of operations of the Company. Management is currently not aware of any such potential claims or legal proceedings.

### **Note 7: Related Party**

The Company's stockholders also own MB Field Services, Inc. (MBFS), an affiliated company which provides mortgage field services. In the ordinary course of business, the Company and MBFS pay expenses for each other, which are later reimbursed. Certain costs incurred by the Company have been allocated to MBFS on a pro-rata basis. At December 31, 2023 and 2022, the Company had no receivable from MBFS.

**Note 8: Retirement Plans**

The Company has a 401(k) savings plan (the Plan) which covers substantially all United States employees who have attained the age of 21. Eligible employees make voluntary contributions to the Plan up to a specified percentage of their annual compensation as defined in the Plan.

Under the Plan, the Company makes discretionary matching contributions determinable each plan year. The Plan also allows additional profit-sharing contributions based on Company financial performance and annual eligible compensation for each participant. The Company made contributions totaling approximately \$44,274, \$41,721, and \$44,772 for the years ended December 31, 2023, 2022 and 2021, respectively.

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**EXHIBIT E**

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

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**LIST OF  
FRANCHISEES  
AND  
FORMER FRANCHISEES**

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**EXHIBIT E-1**

**MAID BRIGADE FRANCHISEES**

**As of December 31, 2023**

	<u>Phone Number</u>	<u>Number of Franchised Territories</u>
<b><u>ARIZONA</u></b>		
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In the list of franchises in this Exhibit, as in the charts in Item 20, we count each part of a territory containing 25,000 qualified households as one franchise, so that a franchise territory containing 100,000 qualified households would count as four franchises.

**Signed in 2023 but not open at 12/31/2023**

Omolara Oladipo  
Edmonton, Alberta

Arnaud Mylle  
Birmingham, AL

**EXHIBIT E-2**

**FRANCHISEES WHO LEFT THE SYSTEM IN 2023**

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**EXHIBIT F**

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

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**STATEMENT OF PROSPECTIVE FRANCHISEES**

---

**MB FRANCHISE HOLDINGS, INC.**

**STATEMENT OF PROSPECTIVE FRANCHISEES**

A. The following dates are true and accurate:

(1) \_\_\_\_\_, 202\_\_  
Initials \_\_\_\_\_

The date of my first face-to-face meeting with a Maid Brigade representative to discuss the possible purchase of a Maid Brigade franchise.

(2) \_\_\_\_\_, 202\_\_  
Initials \_\_\_\_\_

The date that I received the Disclosure Document disclosing facts related to the Maid Brigade franchise opportunity.

(3) \_\_\_\_\_, 202\_\_  
Initials \_\_\_\_\_

The date that I received a fully-completed, unsigned copy of the Maid Brigade, Inc. Franchise Agreement I later signed.

(4) \_\_\_\_\_, 202\_\_  
Initials \_\_\_\_\_

The earliest date that I signed the Maid Brigade, Inc. Franchise Agreement or any other binding document.

(5) \_\_\_\_\_, 202\_\_  
Initials \_\_\_\_\_

The earliest date that I delivered cash, check, or other consideration to a Maid Brigade representative.

*The following are applicable to all prospective franchisees except B.(3) and B.(4) are not applicable to those in the State of Illinois:*

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

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

The prospective Franchisee understands and agrees to all of the foregoing and certifies that all of the above statements are true, accurate, and complete.

Nothing in this Statement shall serve to waive any liability the franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

**APPROVED:**

**PROSPECTIVE FRANCHISEE(S):**

MB FRANCHISE HOLDINGS, INC.

\_\_\_\_\_

(Signature)

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

\_\_\_\_\_

Raychel Leong-Sullins

(Print Name)

Its: President

\_\_\_\_\_, 202\_\_

(Date)

**EXHIBIT G**

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

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**CONFIDENTIAL OPERATIONS MANUAL**

**TABLE OF CONTENTS**

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# CONFIDENTIAL OPERATIONS MANUAL - TABLE OF CONTENTS

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## EXHIBIT H

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

#### Form of General Release

GENERAL RELEASE

THIS GENERAL RELEASE OF LIABILITY is dated and effective \_\_\_\_\_, \_\_\_\_\_ (“Effective Date”) by and among MB Franchise Holdings, Inc., a Delaware corporation, (“Franchisor”) and \_\_\_\_\_, an individual residing at \_\_\_\_\_, or a \_\_\_\_\_ corporation (“Franchisee”).

WHEREAS, Franchisor and Franchisee entered into that certain Franchise Agreement, dated \_\_\_\_\_, \_\_\_\_\_, (“Franchise Agreement”) for ownership and operation of a Maid Brigade franchised business.

WHEREAS, Franchisor and Franchisee now desire to terminate such Franchise Agreement, in connection with the termination, assignment or renewal of the franchise.

NOW THEREFORE, to acknowledge that any claims and issues which Franchisee may have had prior to the date hereof have been fully resolved and as consideration for the termination/assignment or renewal of the Franchise Agreement, and other good and valuable consideration, it is agreed as follows:

Franchisee, for himself/herself/themselves and each of his/her/their successors, representatives, assigns, affiliates, principals, officers, directors, shareholders, subsidiaries, parents, agents, servants, employees, executors, joint ventures, partners, employers, administrators, accountants and attorneys, and each of them, do hereby absolutely, fully, jointly, and severally, and forever release, acquit, relieve, waive, relinquish, and discharge Franchisor, and its respective successors, representatives, assigns, affiliates, principals, officers, directors, shareholders, subsidiaries, parents, agents, servants, employees, executors, joint ventures, partners, employers, administrators, accountants and attorneys from any and all claims, actual or alleged, and any and all claims, actual or potential, whether known or unknown, whether fixed or contingent, whether actual or alleged, and any and all causes of action arising from the beginning of time to the present, including all such claims arising out of or relating to the Franchise Agreement. It is agreed that no provision set out above shall serve as a release, estoppel or waiver of any liability that might be incurred under the Maryland Franchise Registration and Disclosure Law.

Franchisee, severally and jointly, acknowledges that he/she/they may later discover facts, in addition to or different from those which he/she/they know or believe to be true, with respect to the subject matter of the Franchise Agreement, but that each intends to and does hereby fully and finally settle and release all claims as provided herein.

This General Release does not apply to claims arising under the Washington Investor Protection Act RCW 19.100 and the rules adopted thereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Release of Liability Agreement to be executed as of the day first written above.

WITNESS: MB FRANCHISE HOLDINGS, INC.

\_\_\_\_\_

WITNESS: FRANCHISEE:

\_\_\_\_\_

**STATE EFFECTIVE DATES**

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

<b>STATE</b>	<b>EFFECTIVE DATE</b>
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

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

**ITEM 23 RECEIPT**

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully. If MB Franchise Holdings, Inc offers you a franchise, it must provide this Disclosure Document to you at least 14 calendar days before you sign a binding agreement with or make a payment to the Franchisor or an affiliate in connection with the proposed franchise sale. New York state law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If MB Franchise Holdings, Inc does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit A.

DATE OF ISSUANCE October 31, 2024.

See Exhibit A for our registered agents authorized to receive service of process. The individual serving as our franchise seller is Joel Lazarovitz, who can be reached at (770) 551-9630, at 4 Concourse Parkway, Suite 200 Atlanta, GA 30328.

I have received a Disclosure Document dated October 31, 2024, that included the following Exhibits:

- A — List of State Administrators and Agents for Service of Process
- B — Franchise Agreement including State-Specific Amendments
- C — Corporate Assignment Agreement
- D — Financial Statements
- E-1 — List of Franchisees
- E-2 — Franchisees Who Have Left the System
- F — Statement of Prospective Franchisees
- G — Operations Manual Table of Contents
- H — General Release

\_\_\_\_\_, 202\_\_\_\_\_

Date

\_\_\_\_\_

Prospective Franchisee

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

\_\_\_\_\_, 202\_\_\_\_\_

Date

\_\_\_\_\_

Prospective Franchisee

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

[Please sign and date this copy and retain it for your files]

**ITEM 23 RECEIPT**

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully. If MB Franchise Holdings, Inc offers you a franchise, it must provide this Disclosure Document to you at least 14 calendar days before you sign a binding agreement with or make a payment to the Franchisor or an affiliate in connection with the proposed franchise sale. New York state law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If MB Franchise Holdings, Inc. does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit A.

DATE OF ISSUANCE October 31, 2024.

See Exhibit A for our registered agents authorized to receive service of process. The individual serving as our franchise seller is Joel Lazarovitz, who can be reached at (770) 551-9630, at 4 Concourse Parkway, Suite 200 Atlanta, GA 30328.

I have received a Disclosure Document dated May 14, 2024, that included the following Exhibits:

- A — List of State Administrators and Agents for Service of Process
- B — Franchise Agreement including State-Specific Amendments
- C — Corporate Assignment Agreement
- D — Financial Statements
- E-1 — List of Franchisees
- E-2 — Franchisees Who Have Left the System
- F — Statement of Prospective Franchisees
- G — Operations Manual Table of Contents
- H — General Release

\_\_\_\_\_, 202\_\_\_\_\_

Date

\_\_\_\_\_

Prospective Franchisee

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

\_\_\_\_\_, 202\_\_\_\_\_

Date

\_\_\_\_\_

Prospective Franchisee

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

[Please sign and date this copy and return it to Maid Brigade, Inc.]