FRANCHISE DISCLOSURE DOCUMENT

SERVICEMASTER CLEAN/RESTORE SPE LLC
A Delaware Limited Liability Company
One Glenlake Parkway, 14th Floor
Atlanta, Georgia 30328
Phone: 800-756-5656
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www.servicemasterrestore.com

You will operate a ServiceMaster Restore® business (a "**Restore Franchise**"). Restore Franchises provide disaster restoration services directly to residential and commercial customers and to customers following a fire, flood, earthquake or storm.

The total investment necessary to begin operation of a ServiceMaster Restore® ~~franchise ranges from~~franchised business is $266,600 to $442,890. This includes $72,500 that must be paid to ~~us or our~~the franchisor or its affiliates.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the Franchise Sales office at One Glenlake Parkway, 14th Floor, Atlanta, Georgia 30328 or at 800-756-5656.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information of 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, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information.

There may also be laws on franchising in your state. Ask your state agencies about them.

The issuance date of this disclosure document is June 4, 2025, as amended on September 26, 2025.

EXHIBITS:

A	Franchise Agreement And Related Agreements

A-1	Disaster Restoration License/Recover Management Services License

A-2	General Release

A-3	Partial Assignment of Rights

A-4	Electronic Funds Transfer Authorization Form

B	Financial Statements And Guaranty

C	List Of State Agencies And Agents For Service Of Process

D	List Of Franchisees

E	List Of Former Franchisees

F	State Addenda To Disclosure Document And To Franchise Agreement (where applicable)

G	Software License Agreements

G-1	~~Estimating and Pricing~~Xactware Software End User License Agreement

G-2	Restore 365 Plus Software License Agreement

H	Manual Table Of Contents

I	Construction Services Amendment

J	Conversion Ramp-Up Amendments

J-1	Conversion Franchise – Construction Royalty Fee Conversion Rider

J-2	Conversion Franchise – Core Service Ramp-Up

K	State Effective Date And FDD Receipts

of Rock schools in the United States and 92 franchised School of Rock schools outside the United States.

Doctor's Associates LLC ("**Subway**") franchises retail eating establishments which sell foot-long and other sandwiches, salads and other food items under the Subway® mark. Subway began offering franchises in 1974. Subway became an Affiliated Program through an acquisition in April 2024. Subway has its principal place of business at 1 Corporate Drive, Suite 1000, Shelton, Connecticut 06484. As of December 31, 2024, there were 19,502 Subway franchises and no company-owned locations operating in the United States and an estimated 16,120 franchises operating outside the United States. Subway has never offered franchises in any other line of business.

None of the affiliated franchisors are obligated to provide products or services to you; however, you may purchase products or services from these franchisors if you choose to do so.

Except as described above, we have no other parents, predecessors, or affiliates that must be included in this Item.

THE FRANCHISE PROGRAM

If we offer a franchise to you, you will sign a ServiceMaster Restore® franchise agreement (a "**Franchise Agreement**") which will grant you the right to establish and operate a Restore Franchise under the ServiceMaster Restore® mark (the "**SM Restore Mark**") within a territory specified in the Franchise Agreement (the "**Territory**") that will operate under a certain type of ServiceMaster license (an "**SM License**"). We refer to the SM Restore Mark and any other trade names, trademarks, service marks, and logos that we specify in your Franchise Agreement or otherwise in writing from time to time as the "**Marks**". A sample of the Franchise Agreement is provided as Exhibit A to this Disclosure Document.

We currently offer ~~two~~three types of SM Licenses – Disaster Restoration Licenses~~ and~~, SRM Licenses, and Supplemental Services Licenses (each of which is defined below). If you are a new franchisee, we only offer you the opportunity to operate a Restore Franchise with our standard disaster restoration services license (a "**Disaster Restoration License**").

If you are a renewing franchisee with an existing SRM License, or a transferee acquiring an existing SRM License, and you meet our then-current minimum requirements, we will offer you the opportunity to operate a Restore Franchise with our recovery management services license (an "**SRM License**"), which permits you to participate in our SRM Program (as defined and described below in this Item).

In the past, we also offered franchisees other SM Licenses that permitted franchisees to offer certain types of services to only certain types of customers or markets, including~~,~~ – (i) small market services licenses, (ii) on-location services licenses, (iii) residential services licenses, (iv) window and carpet cleaning services licenses, and (v) floor care services licenses (collectively, "**Former Licenses**"). If you are an existing franchisee renewing, or a transferee acquiring, a ~~Former License~~small market services license or on-location services license, your Former License will be transitioned to our current Disaster Restoration License at no additional cost. If you are an existing franchisee renewing, or a transferee acquiring, a residential services license, window and carpet cleaning services license, or floor care services license, your Former License will be transitioned to our current supplemental services license (a "**Supplemental Services License**") at no additional cost.

SERVICES

A Restore Franchise with a Disaster Restoration License or an SRM License is required to provide the following Core Services and Additional Core Services, which we may modify from time to time in the confidential ServiceMaster Restore® Franchise Operations Manual (the "**Manual**"):

"**Core Services**" currently include a full range of the following mandatory services, which must be delivered by you directly to customers (without the use of a subcontractor): (a) disaster restoration services delivered primarily to customers who have experienced loss from water damage or other manmade or natural events or disasters, including fires, floods, earthquakes, storms, and systems failures (including sewer, plumbing electrical or otherwise); and (b) commercial services delivered to the management or tenants of any commercial or institutional building. Specifically, these services currently include (i) water mitigation (emergency water mitigation/restoration 24 hours per day), (ii) structural drying (including carpet, walls, wood floors and other relevant structural materials), (iii) structural cleaning (post fire/smoke and post construction), (iv) mold remediation (state licensing may be required), (v) contents cleaning and moving (inventory, pack-out, moving, cleaning, storage, and pack-back), (vi) cleaning and disinfection to limit the survival of viruses and emerging viral pathogens, (vii) consulting, and (viii) equipment rental.

"**Additional Core Services**" currently include the following mandatory services, which may be delivered by you, at your option, directly or through a subcontractor (including a general contractor, if licensing is required to perform such services): (i) temporary services (board-up, roof tarping, debris removal, and security); (ii) hoarding clean-up; (iii) HVAC/duct cleaning; (iv) textile cleaning (dry cleaning and soft contents); (v) electronics cleaning; (vi) document drying; (vii) art restoration; and (viii) carpet reinstallation.

If you are an existing franchisee that is entering into a renewal term or you are signing a new Franchise Agreement as a result of acquiring an existing franchise through a transfer, you may offer biohazard and trauma cleaning services as a Core Service, if your franchise has been performing such services under its existing Franchise Agreement and you satisfy our then-current certification and training standards for such services.

In addition to the Core Services and Additional Core Services that you are required to provide, a Restore Franchise with a Disaster Restoration License or SRM License may also provide, directly or through subcontractors, the Construction Services described below in this Item 1 and the following Supplemental Services, which we may modify from time to time in the Manual:

"**Supplemental Services**" currently include the following optional services, which, if you choose to provide such services, must be delivered by you directly to customers (without the use of a subcontractor) and which may only be provided on a non-recurring basis (and not in conjunction with contracted or recurring janitorial or housekeeping services): (i) carpet and upholstery cleaning services (including cleaning, spot and pet odor removal, application of soil and stain protectors, anti-static agents, carpet inspection services, carpet maintenance, and power washing); (ii) hard surface floor maintenance; (iii) furniture cleaning services; (iv) cleaning rendered on a periodic basis (including wall, floor, ceiling and contents cleaning, kitchen and bathroom surface and fixture cleaning, deodorizing, and sanitizing); (v) washing windows (interior and exterior), blinds, and chandeliers; and (vi) power washing vehicles, decks, aluminum siding, driveways, and other exterior surfaces.

If you operate a Restore Franchise with a Supplemental Services License, you must provide the Supplemental Services, but you may not provide the Core Services, Additional Core Services, or

Construction Services.

If you participate in the SRM Program, in addition to the Core Services and Additional Core Services, you must provide project and recovery management services and commercial large loss disaster restoration services directly to commercial customers.

CONVERSION FRANCHISES

If you currently operate a business offering the same or similar services as a Restore Franchise that we offer, you will be required to convert your existing business to a Restore Franchise (a "**Conversion Franchise**") and to execute a Conversion Ramp-up Amendment in the form attached as Exhibit J to this Disclosure Document (the "**Conversion Amendment**"). The Conversion Franchise offer differs slightly from the start-up offering described in this Disclosure Document to the extent that certain considerations can be made to enable a smoother transition of the business' operations to a Restore Franchise, which will be reflected in the Conversion Amendment. If your present business includes Construction Services (as defined below in this Item), you will be required to sign the then-current Construction Services Amendment to the Franchise Agreement, as described below. These considerations are described throughout this Disclosure Document.

ACCOUNTS

If you enter into an agreement to provide services to customers that you are authorized to serve, we refer to such accounts as "**Territory Accounts**." If we or our affiliates enter into agreements with local, regional, or national customers, insurance carriers, or other referral sources, we refer to such accounts as "**National Accounts**."

OPTIONAL PROGRAMS ~~AND NATIONAL ACCOUNTS~~

We may offer you the opportunity to participate in certain additional programs, including national ~~accounts~~account programs, other sales or lead generation programs, or other programs that may be offered by us from time to time, as further described below ("**Optional Programs**"). We ~~(or~~may, in our ~~affiliates) may enter into agreements with customers that have locations in multiple markets who have access to consumers or commercial locations ("~~sole discretion, refer leads generated from National Accounts~~") and may offer leads from such National Accounts~~, Restore Franchises, and other lead generation sources to Optional Program participants. We are not obligated to maintain or offer Optional Programs and there is no assurance that you will participate in Optional Programs or receive leads through Optional Programs.

In order to participate in any Optional Programs, you must be in good standing and meet the minimum program requirements, which are published on the franchisee intranet ("**ServiceConnection**") and in the Manual and may change from time to time. The qualifications for each Optional Program may include, among others, years of experience, customer service records, insurance coverage, amount of liquidity, certifications, equipment, and size of business. We do not expect new franchisees to meet the minimum program requirements necessary to participate in the Optional Programs during their first year of operation.

We may require participants in Optional Programs to sign and comply with program agreements, provider agreements, or other standards and requirements, which may be updated periodically and will be included in the Manual. Participation in the Optional Programs are voluntary and Restore Franchises may be required to reapply annually to participate in such Optional Programs. We may modify the minimum requirements to participate in any Optional Programs, as well as the terms of the Optional

Programs and any related agreements or standards, and you must comply with such modifications and enter into new agreements as a condition of continuing to participate in the applicable Optional Program.

Currently, we offer qualified Restore Franchises the opportunity to participate in the following Optional Programs:

1. The Quality Restoration Vendor Program (the "**QRV Program**") is a program in which we offer Restore Franchises that meet certain additional customer service standards that we specify the opportunity to be eligible to potentially receive additional leads for potential water, smoke, fire, or odor mitigation work in residences. QRV Program participants may be required to purchase additional insurance coverage, license and use additional software, charge negotiated prices, provide additional reports, maintain additional equipment, and comply with specific customer requirements. Currently, to participate in the QRV Program, franchisees must sign the form of agreement that is included in the Manual (which is typically updated annually).

2. The Commercial Recovery Team Program (the "**CRT Program**") is a program in which we offer certain QRV Program participants the opportunity to potentially receive additional leads and provide services in other territories after catastrophic events. CRT Program participants must, among other requirements, maintain a capacity to mobilize up to 1,500 miles from the Territory to a catastrophic event to support National Accounts and other customers and form an additional tier of responders. In addition to complying with the QRV Program requirements, CRT Program participants may be required to purchase additional insurance coverage, employ additional staff members, maintain additional equipment, and maintain additional certifications. Currently, to participate in the CRT Program, franchisees must sign the form of agreement that is included in the Manual (which is typically revised annually).

3. The Service Recovery Management Program (the "**SRM Program**") is a program in which we offer Restore Franchisees the opportunity to potentially receive additional leads and provide services in other territories after catastrophic events. SRM Program participants (including SRM License owners) (collectively, "**SRM Franchises**") must have the ability and capacity to provide project and recovery management services and commercial large loss disaster restoration services directly to commercial customers that are not existing Restore Franchise customers and have commercial restoration opportunities of $500,000 or greater in contract value. SRM Franchises are authorized to use the ServiceMaster Recovery Management mark (the "**SRM Mark**"), in addition to the SM Restore Mark. In addition to complying with the CRT Program requirements, SRM Franchises may be required to purchase additional insurance coverage, employ additional staff members, maintain additional equipment (including a 53' trailer), and maintain additional certifications. Currently, to participate in the SRM Program, franchisees must sign the form of agreement that is included in the Manual (which is typically revised annually) or, if they have previously purchased an SRM License, may participate through the SRM License.

If you provide any goods or services to ~~National Accounts or other~~ customers ~~generated from~~referred to you through Optional Programs, you must adhere to the terms and conditions set out in any agreements that we or our affiliates have negotiated with the customers and any other program requirements specified in related agreements, including any agreement between you, your affiliates, or owners and us, our affiliates, and our vendors, relating to the Restore Franchise, the SM License, or any other business or franchise (collectively the "**Related Agreements**"), the Manual, or otherwise in writing, all of which may be modified from time to time. Under our current Optional Program rules, as specified in the Manual, after being provided with a statement of work outlining relevant terms, you have the option of declining a sales lead, referral, or work from an account associated with an Optional Program, but any lead, referral, or work you decline must be referred back to us. We ~~have~~reserve the right to require you to service ~~leads or~~ jobs ~~related to~~referred to you through Optional Programs ~~in the future~~as a condition of participating in such programs, but we do not currently require you to do so.

CONSTRUCTION SERVICES

Restore Franchises, at their request and at our discretion, may be licensed to perform Construction Services. "**Construction Services**" are defined as construction services including, but not limited to, framing carpentry, cabinetry removal and put back/installation, cabinetry repair, roofing, flooring, drywall and plastering, carpet and pad installation, painting, wallpapering installation, and repair of heating, cooling, electrical and plumbing systems, which involve structural reconstruction, cosmetic restoration, or mechanical restoration associated with disaster restoration. All Construction Services may be delivered directly or through a qualified subcontractor, if a license is required in your state to perform any of these services. A franchisee, its owners and their immediate family members, and its affiliates may not perform Construction Services without having been approved by us to do so and without such franchisee having executed the Construction Services Amendment to the Franchise Agreement, which is attached in Exhibit I to this Disclosure Document (the "**Construction Services Amendment**"). If you do not intend to offer Construction Services, you must execute the Construction Services Amendment Opt-Out Option Acknowledgement that is attached in Exhibit I.

COMPETITORS

Your competitors are national and regional companies that operate similar businesses and their franchisees, and individuals, companies, and partnerships of varying sizes and scopes that offer disaster restoration and cleaning services which, as further explained in Item 12, may include other franchisees or affiliates.

DISTRIBUTORS

In portions of North Carolina, South Carolina, and Virginia, we have area representatives, which we refer to as "**Distributors**," which serve as instructors for and liaisons with franchisees in certain territories. They are independent contractors. They may also act as recruiters on our behalf in connection with the original placement of a Restore Franchise. Our current Distributors and their salespersons are listed in state-specific addenda in Exhibit F to this Disclosure Document. You will sign a Partial Assignment of Rights ("**PAR**") with your Franchise Agreement if you are in a Distributor's territory. A PAR is included in Exhibit A-3 to this Disclosure Document.

INDUSTRY-SPECIFIC REGULATIONS

We are not aware of any laws or regulations that are specifically applicable to the services offered in this Disclosure Document except as noted here. Franchisees doing disaster restoration and construction-type work should be mindful of environmental laws, such as NESHAP (National Emissions Standards for Hazardous Air Pollutants), and OSHA (Occupational Safety and Health Administration) regulations, as well as those laws and regulations surrounding work in buildings with lead paint. Some states have mold remediation laws. Some products used in our System contain ingredients regulated by the Environmental Protection Agency (EPA). We have registered our products that contain these ingredients with the EPA. Certain states may require licensing and certification requirements for applying disinfectants, sanitizers and other microbials that are EPA registered. In addition, if you perform

~~Chief Development Officer: Jim Boccher~~

~~Mr. Boccher has been the Chief Development Officer for ServiceMaster Restore since July 2021. From March 2021 to July 2021, he served as President, Commercial Restoration of ServiceMaster Restore. From May 2018 to March 2021, he was the President and Chief Executive Officer of DSI Holdings, Inc., the operator of a number of Restore Franchises, in Downers Grove, Illinois. Mr. Boccher serves in his present capacities in Memphis, Tennessee.~~

Chief Financial Officer & Treasurer: Sunil Doshi

Mr. Doshi has been the Chief Financial Officer & Treasurer for us, each of the other SM Franchisors, SM Manager, RW Parent, RW Purchaser, and a number of other related entities since August 2024. From March June 2020 to July 2024, he served in a variety of roles for Fossil Group, Inc. in Richardson, Texas, including Executive Vice President, Chief Financial Officer and Treasurer from March 2021 to June 2024 and Senior Vice President, Global Finance and Accounting and Chief Accounting Officer from June 2020 to March 2021. From February 2019 to May 2020, Mr. Doshi was the Chief Financial Officer for Mitra QSR KNE, LLC. Mr. Doshi serves in his present capacities in Dallas, Texas.

Chief Development Officer: Jim Boccher

Mr. Boccher has been the Chief Development Officer for ServiceMaster Restore since July 2021. From March 2021 to July 2021, he served as President, Commercial Restoration of ServiceMaster Restore. From May 2018 to March 2021, he was the President and Chief Executive Officer of DSI Holdings, Inc., the operator of a number of Restore Franchises, in Downers Grove, Illinois. Mr. Boccher serves in his present capacities in Memphis, Tennessee.

Chief Franchise Development Officer: Jeff Todd

Mr. Todd has served as Chief Franchise Development Officer for us and the other SM Franchisors since September 2025. He served as Chief Development Officer from March 2024 to September 2025 and Senior Vice President Business Development from June 2022 to March 2024 for Launch Franchising, LLC in Warwick, Rhode Island. From March 2020 to March 2022, he served as Vice President Development for Driven Brands, Inc. in Charlotte, North Carolina.

General Counsel and Chief Human Resources Officer: Josh Burnette

Mr. Burnette has been our General Counsel since July 2023. He has been the General Counsel for each of the other SM Franchisors, SM Manager, RW Parent, RW Purchaser and a number of other related entities since July 2023. Since June 2024, he has served as the Chief Human Resources Officer for us, each of the other SM Franchisors, SM Manager, RW Parent, RW Purchaser and a number of other related entities. From May 2018 to July 2023, he served as General Counsel for North America for DS Smith Plc in Atlanta, Georgia. Mr. Burnette serves in his present capacities in Atlanta, Georgia.

Director of Franchise Development: Charles Kowanetz

Mr. Kowanetz has served as our Director of Franchise Development since May 2023. From October 2019 to May 2023, Mr. Kowanetz served as the Senior Director of Franchise Sales for Now Optics LLC in Palm Springs, Florida. From November 2016 to October 2019, Mr. Kowanetz was the Senior Regional Manager for United Franchise Group in West Palm Beach, Florida. Mr. Kowanetz serves his present capacities in West Palm Beach, Florida.

Franchise Development Manager: Amber James

purchase a franchise within one year of the referral).	
Conversion Franchise Discount – must be a Conversion Franchise	15%

You may only take advantage of one of the above discounts, even if you qualify for multiple discounts. The availability of each incentive may be subject to a time limit. We reserve the right to offer, change, or cancel an incentive at any time.

During 2024, the Initial Franchise Fees for Restore Franchises ranged from $20,000 to $72,500.

As part of the Initial Franchise Fee, we will arrange for our designated vendor to set up your accounting software account and provide you with access to an online e-learning tutorial on how to use the accounting software (which otherwise would cost $600). In addition, the Initial Franchise Fee includes the registration fee for two of your representatives to attend our initial training program, which we refer to as the ServiceMaster Academy of Service ("**AOS Training**") (which costs $6,310 for each additional person, if you elect to have more than two attend AOS Training), and the initial set up of our business operating software designed to trace and monitor your local jobs, national program leads/jobs, run reports, and track contacts (customers, adjusters, agents, building managers, and subcontractors) ("**Restore 365 Plus**") (which otherwise would cost $3,500 per primary place of business).

ALL FEES

Except as disclosed above, you are not required to pay any other fees or payments to us or our affiliates for services or goods before your Restore Franchise begins operating. The initial fees must be paid by credit card, check, or ACH at the time you sign the Franchise Agreement. The initial fees are not refundable. We do not offer direct or indirect financing to franchisees for any of these fees.

ITEM 6:
OTHER FEES

Type of Fee (See Note 1)	Amount	Due Date	Remarks
Royalties	The greater of (i) $750 and (ii) 10% of monthly Gross Service Sales ~~for the month multiplied by the Applicable Royalty Rate for the month. The Applicable Royalty Rate will range from 10% to 5.95%, as determined by the total Royalty Group Sales in a calendar year as set forth in the Royalties Scale. See Note 4 for the current Royalties Scale~~.	Monthly by the 20th	See Note 2 for the definition of "**Gross Service Sales**~~", Note 3 for the definition of "**Royalty Group Sales**," and Note 4 for the definition of "**Royalties Scale**" and "**Applicable Royalty Rate**~~." The Royalties will be paid as specified in our then-current royalty policy as set forth in the Manual. For new Restore Franchises only, the minimum Royalty will be $0 per month in the first four months after signing the Franchise Agreement, $250 per month in the fifth through twelfth months after signing, and $750 per month thereafter. If you sign the Construction Services Amendment, for purposes of determining the Royalties, Gross Service Sales will exclude revenue from Construction Services. ~~New Restore Franchise:~~ ~~If you are buying your first Restore Franchise, then your Royalties will be based on the Royalties Scale described in Note 4.~~ ~~Current franchisee purchasing an additional Restore~~

Type of Fee (See Note 1)	Amount	Due Date	Remarks
			~~Franchise or renewing an existing Restore Franchise~~: ~~If you are an existing franchisee buying an additional Restore Franchise or renewing an existing Restore Franchise license, then in certain situations, you may be eligible to participate in a Transition Program that may permit you to use an interim adjusted Applicable Royalty Rate (referred to as the Transition Rate) to assist you in transitioning to the Royalties Scale from our prior Royalties formula during a transition period, as such program and terms are described in Note 5.~~ ~~Transferee~~: ~~If you are a transferee, then in certain situations, you may be eligible to participate in a Transition Program that may permit you to use an interim adjusted Applicable Royalty Rate (referred to as the Transition Rate) to assist you in transitioning to the Royalties Scale from our prior Royalties formula during a transition period, as such program and terms are described in Note 5.~~ Conversion Franchise: If you are a Conversion Franchise, you may be eligible for adjusted ~~royalties~~Royalties, as described in Note ~~6~~4. Untimely Renewal: If you are an existing franchisee that does not timely renew your Franchise Agreement~~, the Applicable Royalty Rate~~ and we permit you to continue to operate on a month-to-month basis, the Royalties will be increased by 2.5% to 12.5% of Gross Service Sales in each month until you have completed the renewal process~~, as described in Note 7.~~ (including signing a renewal Franchise Agreement and a general release and paying the renewal fee) or the Franchisee Agreement is terminated. ~~Unauthorized Construction Services~~: ~~If you, your owners, or your affiliates perform Construction Services without a fully-executed Construction Services Amendment, the Applicable Royalty Rate is described in Note 8.~~
Ad Fund Contribution	Currently, 2% of monthly Gross Service Sales for the first $7.5 million in ~~Royalty~~ Group Sales in a calendar year and 0.5% of monthly Gross Service Sales that are in excess of $7.5 million in ~~Royalty~~ Group Sales in a calendar	Monthly by the 20th	See Note 2 for the definition of "**Gross Service Sales**" and Note 3 for the definition of "~~**Royalty**~~ **Group Sales**." The National Advertising Fund Contribution (the "**Ad Fund Contribution**") is contributed to the National Advertising Fund (the "**Ad Fund**") applicable to your Restore Franchise, which is administered and controlled by us. We may change the Ad Fund

Type of Fee (See Note 1)	Amount	Due Date	Remarks
	year.		Contribution, provided that the total Ad Fund Contribution and Local Advertising Commitment will not exceed 4% of Gross Service Sales. Subject to this cap, if we increase the Ad Fund Contribution, we may decrease or eliminate the Local Advertising Commitment. Legacy Renewal Franchise: If you are ~~eligible for the Transition Program (as defined in Note 5), your~~operating an existing Restore Franchise and have the right to renew your Franchise Agreement (a "**Legacy Renewal Franchise**"), see Note 5 regarding the applicable Ad Fund Contribution~~ will be capped during the Transition Period (as defined in Note 5), as described in Note 9~~.
Local Advertising Commitment	If you fail to spend the required Local Advertising Commitment in any month, you must pay us the difference between the amount you actually spent on Eligible Local Marketing in such month and the required Local Advertising Commitment for such month.	Upon demand	We may require you to spend a percentage of your Gross Service Sales each month on Eligible Local Marketing (the "**Local Advertising Commitment**"). We may, in our sole discretion, specify the types, methods, and specifications of local advertising that qualify as "**Eligible Local Marketing**". If you fail to meet the Local Advertising Commitment in any month, in addition to other remedies, you must contribute the difference between your actual spend and required spend to the Ad Fund. New and Transferred Restore Franchises: Currently, for new and transferred Restore Franchises, the Local Advertising Commitment is 2% of monthly Gross Service Sales for the first $7.5 million in ~~Royalty~~ Group Sales in a calendar year and 3.5% of monthly Gross Service Sales that are in excess of $7.5 million in ~~Royalty~~ Group Sales in a calendar year. We may change the Local Advertising Commitment, provided that total Ad Fund Contribution and Local Advertising Commitment will not exceed 4% of Gross Service Sales. Legacy Renewal Franchises: See Note 5 for the Local Advertising Commitment for Legacy Renewal Franchises.
AOS Training for Additional Persons, Subsequent or Replacement Trainees, and for Transferees	Currently, $6,310 per person for a 3-week program.	Due at closing for transfers; due upon demand for all other trainees	The AOS Training fee for two people to attend the AOS Training is included in the Initial Franchise Fee. If you bring additional trainees or subsequent/ replacement trainees to AOS Training, you must pay our then-current fee for such training, which will not exceed $8,110 per person.

Type of Fee (See Note 1)	Amount	Due Date	Remarks
			If you are a transferee, the AOS Training is not included in the Transfer Fee and you must pay our then-current fee for such training, which will not exceed $8,110 per person. However, if you have both a WRT (Water Restoration Technician) and ASD (Applied Structural Drying) certifications then you can reduce the AOS Training fee by $1,295. Additionally, if you have FSRT (Fire and Smoke Restoration Technician) you can reduce the AOS Training fee by $300. All of the prices include training, class materials, and some meals. In addition to the fees listed, you are responsible for all wages, travel, hotel costs, and some meal costs that you or your trainees incur while attending training.
Ongoing Training Programs and Meetings	The then-current registration fees, which are currently $300 to $2,500 per attendee for training programs and $1,000 per attendee for regional meetings.	Due upon registration	Payable if you or your representatives attend our Spring and Fall Regional Meetings and other training programs that we require or offer, provided that these fees will not exceed $4,000 per training program, seminar, or workshop or $2,000 per regional meeting. You (or an officer and owner if you are an entity) must attend at least three seminars, conventions, or meetings per year. You are responsible for all wages, travel, hotel costs, and some meal costs that you or your trainees incur while attending training, meetings, or conventions. See Item 11.
Annual Convention Fee	Currently, $1,000 per attendee.	Due upon registration	You must send an owner, manager, or representative that we approve to our annual convention. If you ~~own more than one Restore Franchise, then you must send at least one representative for one to two Restore Franchises, two representatives for three to four Restore Franchises, three representatives for five to six Restore Franchises, four representatives for seven to eight Restore Franchises, five representatives for nine to 10 Restore Franchises, six representatives for 11 to 12 Restore Franchises, and seven representatives for 13 or more Restore Franchises. If the minimum required number of representatives do not attend our annual convention,~~fail to have a representative attend two consecutive annual conventions and there is not a valid business reason, then we have the right to charge you 150% of the current annual convention fee~~ for each absent representative~~. The annual convention registration fee may change, provided it will not exceed $2,000 per attendee. You are also responsible for all wages, travel, hotel costs, and some meal costs that you or your attendees incur

Type of Fee (See Note 1)	Amount	Due Date	Remarks
			while attending the annual convention.
Technology Fees	The then-current fees. Currently, for Restore 365 Plus ~~Software~~software, the fees are $650 per month for your primary place of business and $50 per month per other location, if you elect to operate Restore 365 Plus at more than one location. In addition, an audit fee of $15 per insurance claim audited through the Validate component of the software. ~~Currently, for XactWare, the fees are $158 per month plus $6.25 to $37.80 per job.~~ Currently, for Clerk of the Works, the fee is $1,099 per year. Currently, for ~~Cotalty Estimate~~Morning Coffee, the fee is $~~12~~450 per ~~job~~quarter. Currently, for DocuSketch, the fee is $95 per month plus $5 to $45 per job, depending on the features used. Currently, for EarthVisionZ, $417 per month.	~~For XactWare the fee is due both monthly and as incurred on a per job basis.~~ For Clerk of the Works, the fee is due yearly. For Morning Coffee, the fee is due quarterly. For ~~Restore 365 Plus and Cotalty Estimate~~the other software, the fee is due monthly.	Payable to us for various technology-related products and services that we or our affiliates may provide or arrange for third parties to provide to you, as specified in the Manual. We may change the required products and services and related fees from time to time, provided that, unless otherwise specified in this FDD, the fees charged by us or our affiliates will not exceed 150% of our and our affiliates' costs and expenses related to developing, providing, licensing, maintaining, and/or procuring such products and services. Currently, the Technology Fee includes ~~three~~the following required software programs: (1) Restore 365 Plus software; (2) ~~XactWare software, which is an estimating and pricing software to be able to build an invoice and create a line-item invoice; and (3)~~ Clerk of the Works software, which generates time and materials invoices~~.~~; and (3) Morning Coffee, which is our business intelligence software. Currently, the Technology Fee includes the following optional software programs: (a) DocuSketch, which can produce 3D room images (and requires a separate purchase of a $700 camera from the vendor), and (b) EarthVisionZ, which provides real-time weather information mapped over your territory. For Restore 365 Plus, the initial setup fee of $3,500 per primary place of business is included in the Initial Franchise Fee. ~~These~~The Restore 365 Plus fees may change, provided the monthly fee for your primary place of business will not exceed $1,300 per month ~~and~~, the monthly fee for each additional location will not exceed $125 per month, and the audit fee will not exceed $40 per claim (these caps shall supersede the general Technology Fees cap described above of 150% of actual costs and expenses). ~~If you chose to use XactWare, there is an additional feature, called Contents Track, which is an inventory management tracking software, and there is an additional fee of $29 per job, which fee may increase as determined by the vendor.~~ ~~In the event you participate in any Optional Program, then you may also need to obtain Cotalty Estimate software, either in addition to XactWare or instead of XactWare, which is carrier specific.~~
Optional Program Participation Fees	Currently, not charged.	As incurred	If you participate in any Optional Programs, you may be required to pay fees to participate in such program.

Type of Fee (See Note 1)	Amount	Due Date	Remarks
			The fees may be established or changed from time to time, provided that any such fees payable to us or our affiliates will not exceed $10,000 per year, per Optional Program. The fees may be paid weekly, monthly, or annually. See Note 6.
~~Branch 44~~Optional Program Referral ~~Fee~~Fees	Commercial Jobs: Currently, 5% of the total ~~invoice for a job referred from another franchisee's national account.~~invoiced amount for such job. Residential Jobs: Currently, $100 per job.	Monthly as incurred	~~Payable if~~If you participate in ~~our optional National Accounts Program and receive a referral from a national account identified by another franchisee. We will remit customer payments to you less the then-current referral fee, which~~any Optional Programs, you may be required to pay referral fees for each lead referred to you through such program. The fees may be established or changed from time to time, provided that any such fees payable to us or our affiliates will not exceed (a) for commercial jobs, 10% of the total ~~invoice for such job. We will redistribute this referral fee to the franchisee that was the source of the national account lead~~invoiced amount for such job and (b) for residential jobs, in our discretion, a fixed fee of up to $350 per job or a percentage fee up to 10% of the total invoiced amount for such job. See Note 6.
Optional Program ~~Participation~~Service Fees	Currently, not charged~~.~~ ~~Will vary based on Optional Program~~.	Monthly as incurred	If you participate in any Optional Programs, you may ~~incur additional fees and expenses related to the operation of such programs. The amount and type of fees may vary by program, will be included in any related program agreement, may change from time to time, and may be determined by and/or payable to~~be required to pay service fees for certain specified services provided by us, our affiliates, ~~insurance carriers, or program participants, depending on the terms of such Optional Program~~or third parties related to jobs generated through such programs. The fees may be established or changed from time to time, provided that any such fees payable to us or our affiliates will not exceed 150% of our and our affiliates' costs and expenses related to providing products and/or services related to such job. See Note 6.
Branch 44 Account Management Fee	50% of any referral fee that we collect from a Restore Franchise that provides services to a Territory Account	Monthly as incurred	Payable if you request that we provide optional Branch 44 account management services to a Territory Account and we, in our sole discretion, agree to do so. The Branch 44 services that we may provide include (a) managing communications with a Territory Account, (b) referring leads related to Territory Accounts to Restore Franchises, (c) coordinating the completion of such jobs, (d) providing customer service support for such jobs, and (e) preparing invoices for, and collecting and distributing revenue

Type of Fee (See Note 1)	Amount	Due Date	Remarks
			from, such jobs. If we provide the Branch 44 services, we will charge a referral fee to the Restore Franchise that provides services to the Territory Account and will retain half of such fee, with the remainder of the referral fee distributed to you.
Estimating as a Service Fee	For estimates relating to water damage, currently, $125 to $325 for jobs estimated to be $50,000 or less and up to 5% of the invoice amount for job estimated to be more than $50,000. For estimates relating to other damage (such as fire damage, mold remediation, or construction), we may charge a fee of up to 5% of the invoice amount.	As incurred	Payable for each job in which we generate the estimate for the job. Some carriers require you to use our service. For estimates relating to water damage, we may change the fee for jobs estimated to be $50,000 or less, provided that the fee will not exceed, at our option, $1,000 per job.
Construction Services Fee	3% of monthly Gross Service Sales from Construction Services, without any deduction for subcontractor-performed work. Franchisees may be eligible for a reduced fee equaling 2% of Gross Service Sales in 2025, 2.25% in 2026, 2.5% in 2027, and 2.75% in 2028.	Monthly by the 20th	Construction Services Amendment: If you provide Construction Services pursuant to the Construction Services Amendment, you (a) will pay this fee for Gross Service Sales from Construction Services and (b) will not pay Royalties on revenue from Construction Services. To be eligible for the reduced Construction Services Fee, you and your affiliates must fully comply with all Franchise Agreements with us, including timely making all required payments and submitting all reports to us. The reduced fees will not be available after December 31, 2028, at which point the fee will revert to 3% of Gross Service Sales. No Construction Services Amendment: If you, your owners, or your affiliates provide Construction Services without a fully-executed Construction Services Amendment, you will pay 10% of monthly Gross Service Sales related to providing such services. Untimely Renewal If you are an existing franchisee that does not timely renew your Franchise Agreement and we permit you to continue to operate on a month-to-month basis, the Construction Services Fee will be increased by 2.5% to 5.5% of monthly Gross Service Sales in each month until you have completed the renewal process

Type of Fee (See Note 1)	Amount	Due Date	Remarks
			(including signing a renewal Franchise Agreement and a general release and paying the renewal fee) or the Franchisee Agreement is terminated.
Construction Services Advertising Fee	Legacy Renewal Franchises Only: 0.25% of Gross Service Sales from Construction Services.	Monthly by the 20th	If you are a Legacy Renewal Franchise and sign the Construction Services Amendment, you (a) will pay this fee for Gross Service Sales from Construction Services and (b) will not pay the Ad Fund Contribution on revenue from Construction Services. The Construction Services Fee will be contributed to the Ad Fund. If you, your owners, or your affiliates provide Construction Services without a fully-executed Construction Services Amendment, the revenue generated by such jobs will be subject to the standard then-current Ad Fund Contribution.
Construction Services Local Advertising Commitment	Legacy Renewal Franchises Only: if you fail to spend the required Construction Services Local Advertising Commitment in any month, you must pay us the difference between the amount you actually spent on Eligible Local Marketing in such month and the required Construction Services Local Advertising Commitment for such month.	Upon demand	If you are a Legacy Renewal Franchise, you must spend 0.5% of your Gross Service Sales derived from Construction Services each month on Eligible Local Marketing (the "**Construction Services Local Advertising Commitment**"). If you fail to meet the Construction Services Local Advertising Commitment in any month, in addition to other remedies, you must contribute the difference between your actual spend and required spend to the Ad Fund.
Product or Equipment Evaluation Testing Fees	$500 per cleaning product and $1,000 per equipment product.	At time of submission of request	Payable if you request our approval of a non-approved product or equipment item that you want to use in your business. You also must pay for shipping and handling charges to ship the products to us and back to you. See Item 8 for a description of the approval process.
Renewal Fee	Up to 3% of the franchise fee charged to new franchisees at the time of renewal.	When Franchise Agreement is renewed	Payable for you to enter into a renewal term for each Franchise Agreement.
Lead Fee	$10,000	At closing of the transfer	Payable to us if we refer a qualified lead to an existing franchise owner and such lead purchases the franchise owner's interest within 18 months of our referral of such lead. See Note ~~10~~6.
Transfer Fee	The sum of (a) ~~$12,000~~10% of the Initial Franchise Fee charged to new	At closing of the transfer	Payable by you or the buyer when you transfer 50% or more ownership of the Franchise Agreement or the ServiceMaster Franchise to one or more owners. You must pay a non-refundable application fee equal to

Type of Fee (See Note 1)	Amount	Due Date	Remarks
	franchisees at the time of the transfer, except (i) $3,500 if the transfer is to an owner's adult child who is at least 18 years of age or to a qualified manager of the franchise (as specified in the Manual), (ii) $500 if the transfer is to a spouse of an existing owner, and (iii) $500 if the transfer is to an existing owner of the franchise; plus (b) our and our affiliates' costs and expenses related to the transfer (including attorneys' fees).		25% of the Transfer Fee when you submit your request for us to review such a proposed transfer, which will be credited towards the Transfer Fee. Transferees must also pay the cost of AOS Training and must purchase their own laptop and software.
Change Fee	Currently, $500 per change per Franchise Agreement.	As incurred	Payable if making a non-control transfer; changing business entity name; changing DBA (doing business as) name; changing form of entity; or modifying Franchise Agreement. No charge to change DBA name or form of entity during first year of initial term. The fee may change from time to time, provided that the fee will not exceed $750. If any changes are being made in conjunction with a transfer of 50% or more ownership of the Restore Franchise, the Transfer Fee shall apply, instead of the Change Fee. For non-controlling transfers, the Change Fee shall apply per person, per transfer, and per Franchise Agreement.
Interest and Late Fees	For fees: 2% per month in interest compounded daily or the maximum permitted by law, whichever is less. For fees, reports, and other information or materials: $200 weekly late fee for first four late weeks and $500 weekly late fee thereafter; and all other costs incurred by us (including bank charges	When overdue amount is paid	Payable if you are late making any payments or providing any sales reports or other documents or information required to be provided to us. Payable on, and in addition to, any overdue amounts from the date that the payment was originally due.

Type of Fee (See Note 1)	Amount	Due Date	Remarks
	and attorneys' fees).		
Audit	$5,000 plus the cost of audit, the amount of the underpayment, and interest on the underpayment.	Upon demand	Payable only if (1) an audit shows an understatement of at least 1% of Gross Service Sales for any given month and (2) the amount of underpayment plus interest is greater than $5,000.
Inspection Fee	$500 per representative per day, plus our actual costs and expenses, which include travel and living expenses for our representatives.	Upon demand	Payable if we conduct a follow-up inspection to confirm that you have corrected any deficiencies identified in another inspection.
Insurance Procurement Fee	Up to 150% of any costs and expenses that we and our affiliates incur to obtain and maintain insurance.	As incurred	If you fail to obtain or maintain the required insurance coverage, we may, in our sole discretion, procure insurance coverage on your behalf and charge you this fee.
Customer Complaint Management Fee	$500, plus any costs and expenses that we and our affiliates incur to attempt to resolve such complaint.	As incurred	If we, in our sole discretion, intervene in a customer complaint or dispute to protect the brand or because you have not adequately or promptly resolved the complaint, we may manage or settle the dispute on your behalf and charge you this fee. We may increase the fixed portion of this fee, provided that it will not exceed $750.
Performance After Default	Up to 120% of any costs and expenses that we and our affiliates incur to perform such obligation.	As incurred	If you fail to perform any obligation under the Franchise Agreement, we may, in our sole discretion, undertake or perform such obligation and charge you this fee.
Non-Compliance Fee	$1,000, unless otherwise specified in the Manual	As incurred	Payable if you fail to comply with your Franchise Agreement or any standards within the Manual. The fee (i) shall be $1,000 per single violation per day; (ii) may be modified from time to time, provided that it will not exceed $2,000 per single violation per day; (iii) may be charged repeatedly (as frequently as daily) if the non-compliance is ongoing, and (iv) may vary based on the severity of the defaults, the number of the defaults, and whether the defaults have been repeated. See Note ~~11~~7 for current fees.

Type of Fee (See Note 1)	Amount	Due Date	Remarks
Enforcement Expenses	Our and our affiliates' costs and expenses.	On invoice	You must pay us or our related parties any attorneys' fees and other related costs and expenses we and our related parties incur (a) to enforce the terms of the Franchise Agreement or any other agreement (whether or not we initiate a legal proceeding, unless we or our related parties fail to prevail in such a legal proceeding) or (b) in the defense of any claim you or your related parties brings against us or our related parties on which we or our related parties substantially prevail in such legal proceedings related to you, your Owners, or your related parties (other than those we incur in response to your efforts to enforce the Franchise Agreement or in the defense of any claim we assert against you on which you substantially prevail in court or other formal legal proceedings).
Tax Reimbursement Fees	Will vary under circumstances.	As incurred	These fees will be paid to us to reimburse us for certain sales, use, personal property and other taxes we or our affiliates incur related to the goods, services, and licenses that we provide to you.
Indemnification	Varies by nature of claims.	On demand	You must indemnify us and our affiliates in connection with your operation of the Restore Franchise, as well as our litigation costs in defending these claims.
Liquidated Damages	The average monthly amount of Royalties ~~and~~, Ad Fund Contributions, Construction Services Fees, and Construction Services Advertising Fees that you owed us during the past 12 months times the lesser of remainder of term of Franchise Agreement or 24 months.	Within 7 days of termination of your Franchise Agreement	Payable if we terminate the Franchise Agreement due to your default (or if you purport to terminate the Franchise Agreement). If less than 12 months have passed since opening and termination, the amount will be the average monthly Royalties ~~and~~, Ad Fund Contributions, Construction Services Fees, and Construction Services Advertising Fees during the time between opening and termination, times the lesser of the remainder of term of the Franchise Agreement or 24 months.
Appraiser's Fee	50% of appraiser's fee for the first appraiser; 100% of appraiser's fee for the second and third appraiser.	On invoice	Payable to us or third-party appraiser. You must pay this fee only if we elect to purchase your assets on termination or expiration of the Franchise Agreement, and we cannot agree with you on the purchase price.

Notes to Item 6

1. Payment Due Dates and Payment Methods. All of the listed fees are payable to us or our affiliates. All fees paid to us or our affiliates are non-refundable. Except as otherwise noted, the fees are uniformly imposed. All payments of fees and charges must be made to us in the manner and at the times specified by us, which are subject to change. Currently, we specify that (a) Royalties, Ad Fund Contributions, Construction Services Fees, Construction Services Advertising Fees, and Technology Fees (collectively the "**Operating Fees**") and other fees due

affiliates (such as revenue we or our affiliates collect directly from customers that is related to work performed by you) or from vendors (such as rebates or referral fees); **less**

(Y) any approved adjustments that may be deducted in accordance with the royalty remittance policy in the Manual, as such policy may be revised from time to time. Unless otherwise specified in the Manual or by us in writing, Gross Service Sales includes all revenue at the time billed and must be reported monthly on an accrual basis in the month the work was billed to the customer, regardless of when and if such revenue is collected by you. Unless otherwise specified in the Manual, any expenses related to goods or services provided to you or customers by any parties related to you (acting as a subcontractor, vendor, or otherwise) are not deductible as adjustments from Gross Service Sales.

3. ~~Royalty Group~~Groups and ~~Royalty~~ Group Sales. In certain circumstances, we will permit you to combine your Restore Franchise and certain other Restore Franchises owned by you and your affiliates into one group for the purpose of calculating certain fees (the "~~**Royalty**~~ **Group**"). Typically, a ~~Royalty~~ Group will consist of only one Restore Franchise. However, if you and your affiliates own, now or in the future, more than one Restore Franchise, the following policies will apply:

a. Eligibility to Join Group: Only Restore Franchises that are owned by you or your affiliates that operate under a Franchise Agreement that includes an Ad Fund Contribution that varies based on "Group Sales" are eligible to be added to a Group.

b. ~~a.~~ Contiguous or Overlapping Territory – Existing Franchises or New Franchises: If you or your affiliates (i) own~~, as of April 30, 2025,~~ any Restore Franchises that have overlapping or contiguous territories or (ii) in the future acquire from us a new Restore Franchise (not through a transfer) with a territory that overlaps with, or is contiguous to, the territory of any Restore Franchises owned by you or your affiliates, we will combine such overlapping or contiguous Restore Franchises into a single ~~Royalty~~ Group (if they are eligible for inclusion in a Group).

c. ~~b.~~ Contiguous or Overlapping Territory – Transferred Franchises: If you or your affiliates acquire from an existing franchisee through a transfer one or more existing Restore Franchises that have territories that overlap with, or are contiguous to, the territory of your or your affiliates' existing Restore Franchise(s), we may, in our sole discretion, either (i) combine the transferred Restore Franchises and the overlapping or contiguous Restore Franchises into a single ~~Royalty~~ Group or (ii) maintain the transferred Restore Franchises as a separate ~~Royalty~~ Group from your existing ~~Royalty~~ Groups. There should be no expectation that any of the acquired Restore Franchises will be combined with your or your affiliates' existing ~~Royalty~~ Groups.

d. ~~c.~~ Non-contiguous or Non-overlapping Territory: If you or your affiliates own or acquire (either through a transfer or purchase of a new franchise) any Restore Franchises that have territories that do not overlap with, or are not contiguous to, one another, we may, in our sole discretion, either (i) combine the separated Restore Franchises into one of your or your affiliates' existing ~~Royalty~~ Groups or (ii) maintain the separated Restore Franchises as one or more separate ~~Royalty~~ Groups. There should be no expectation that any non-contiguous or non-overlapping Restore Franchises will be combined with your or your affiliates' other Restore Franchises.

Once a ~~Royalty~~ Group has been established, we may not modify the ~~Royalty~~ Group unless we and you or your affiliates agree to do so in writing, or unless you or your affiliates default under any Franchise Agreement, including a Franchise Agreement for a Restore Franchise in a different ~~Royalty~~ Group. In such a case of default, as an alternative remedy to termination of any Franchise Agreements, we may, in our sole discretion, modify or dissolve any of the existing ~~Royalty~~ Groups of you and your affiliates (even if only one franchisee out of all of your affiliated franchisees committed the default and even if such defaulting franchisee's Restore Franchise was part of a different ~~Royalty~~ Group from your other ~~Royalty~~ Groups) in any manner that we deem appropriate, without regard to the above-stated rules.

For example, we may permanently separate into two or more new ~~Royalty~~ Groups any Restore Franchises with contiguous or overlapping territories that had been in a single ~~Royalty~~ Group.

As another example, if you and your affiliates have 12 Restore Franchises divided into ~~Royalty~~ Group A with eight Restore Franchises and ~~Royalty~~ Group B with four Restore Franchises and there is a default under a Franchise Agreement for one of the Restore Franchises in ~~Royalty~~ Group A, we could modify both ~~Royalty~~ Group A and B in any way we deem appropriate. For example, we could choose to split ~~Royalty~~ Groups A and B into four new ~~Royalty~~ Groups with three Restore Franchises each. As another example, we could choose not to modify ~~Royalty~~ Group A but could split ~~Royalty~~ Group B into one ~~Royalty~~ Group with three Restore Franchises and one ~~Royalty~~ Group with one Restore Franchise.

The "**~~Royalty~~ Group Sales**" is determined by aggregating the Gross Service Sales of all of the Restore Franchises in the ~~Royalty~~ Group. If a ~~Royalty~~ Group is created during a calendar year, the Gross Service Sales of all of the Restore Franchises in such ~~Royalty~~ Group that occurred during each full month of such calendar year prior to the date of the formation of the ~~Royalty~~ Group will be aggregated, and thereafter included in, the calculation of the ~~Royalty~~ Group Sales for such calendar year. If a Restore Franchise is added to the ~~Royalty~~ Group during a calendar year, the Gross Service Sales of such Restore Franchise during each full month of such calendar year prior to the date of its addition to the ~~Royalty~~ Group will be added to, and thereafter included in, the calculation of the ~~Royalty~~ Group Sales for such calendar year. If a Restore Franchise is removed from the ~~Royalty~~ Group during a calendar year, the Gross Service Sales of such removed Restore Franchise in the portion of the full months of such calendar year that preceded the date of its removal will be included in the calculation of the ~~Royalty~~ Group Sales for such calendar year, but any Gross Service Sales of such removed Restore Franchise after its removal shall not be included in the calculation of the ~~Royalty~~ Group Sales going forward. You will report Gross Service Sales for each Restore Franchise separately, and we will aggregate such figures to determine the ~~Royalty~~ Group Sales.

For example, if a Restore Franchise is removed from the ~~Royalty~~ Group because you are selling the Restore Franchise to a third party and such transfer occurs on September 17th, then the Gross Service Sales of such transferred Restore Franchise that occurred from January through August (including August) will remain part of the ~~Royalty~~ Group Sales, and any Gross Service Sales of the transferred business that occur from September 1 through and including September 17 will not be included in the ~~Royalty~~ Group Sales.

~~4. Royalties Scale. If you are (a) purchasing your first Restore Franchise from us (first for you and your affiliates and not including transfers from existing franchisees), (b) not eligible, or no longer eligible, for the Transition Program (as described in Note 5), or (c) converting your existing Restore Franchise to our Royalties Scale through an amendment, the "**Applicable**~~

~~**Royalty Rate**" for a given month shall be determined based on the Group Royalty Sales for such calendar year in accordance with the following scale (the "**Royalties Scale**"):~~

~~ROYALTY TIER~~	~~RANGE OF ROYALTY GROUP SALES IN EACH CALENDAR YEAR~~		~~APPLICABLE ROYALTY RATE IN EACH TIER~~
	~~Minimum~~	~~Maximum~~	
~~1~~	~~$0~~	~~$500,000~~	~~10%~~
~~2~~	~~$500,000.01~~	~~$1,000,000~~	~~9.15%~~
~~3~~	~~$1,000,000.01~~	~~$1,500,000~~	~~8.75%~~
~~4~~	~~$1,500,000.01~~	~~$2,000,000~~	~~8.35%~~
~~5~~	~~$2,000,000.01~~	~~$2,500,000~~	~~7.95%~~
~~6~~	~~$2,500,000.01~~	~~$3,000,000~~	~~7.55%~~
~~7~~	~~$3,000,000.01~~	~~$3,500,000~~	~~7.15%~~
~~8~~	~~$3,500,000.01~~	~~$4,000,000~~	~~6.75%~~
~~9~~	~~$4,000,000.01~~	~~$4,500,000~~	~~6.35%~~
~~10~~	~~$4,500,000.01~~	~~No maximum~~	~~5.95%~~

~~In a calendar year in which the Royalties Scale takes effect, the Royalty Group Sales (if any) for the Royalty Group will be aggregated for each of the full months of the calendar year preceding the implementation of the Royalties Scale to determine the beginning Royalty Tier and beginning Applicable Royalty Rate. When the Royalty Group Sales in such calendar year crosses into another Royalty Tier, the Applicable Royalty Rate will change. Beginning on January 1 of each calendar year, the Royalty Group Sales and Applicable Royalty Rate will reset, and you will begin paying Royalties at the Tier 1 level.~~

> ~~As an example, if the total Royalty Group Sales for 2025 was $2,700,000 and the Royalty Group Sales for January 2026 are $400,000, the Applicable Royalty Rate for January 2026 will be 10% (the Applicable Royalty Rate for Tier 1), since the Royalty Group Sales for 2026 would restart on January 1 and reach $400,000 by the end of January. If in February 2026, the same Royalty Group achieved $100,000 in Royalty Group Sales, the Applicable Royalty Rate would still be 10% (the Applicable Royalty Rate for Tier 1) by the end of February, because the aggregate Royalty Group Sales by the end of February 2026 would be $500,000.~~
>
> ~~As a further example, if you own a Royalty Group that converts to the Royalties Scale on August 1, 2025, and the Royalty Group Sales for January through July were $1,700,000, the Applicable Royalty Rate for August would start at 8.35% (the Applicable Royalty Rate for Royalty Tier 4), even though the Royalty Group Sales were achieved prior to the implementation of such Royalties Scale. The Applicable Royalty Rate would then change when the Royalty Group Sales equals or exceeds $2,000,000.01 (which is the minimum amount for Royalty Tier 5). Once Royalty Tier 5 is reached, the Applicable Royalty Rate for Royalty Tier 5 (7.95%) would apply until the Royalty Group Sales reaches the next Royalty Tier threshold (which is $2,500,000.01 for Royalty Tier 6, with an Applicable Royalty Rate of 7.55%). This process will continue until the conclusion of such calendar year at which point the Royalty Group Sales and Applicable Royalty Rate will reset.~~

~~If the Applicable Royalty Rate changes in a month because the Royalty Group Sales crosses into one or more additional Royalty Tiers (as described in the Royalties Scale above), the Applicable Royalty Rate for such month shall be a blended royalty rate calculated by (a) multiplying the Royalty Group Sales in such month in each Royalty Tier by the Applicable Royalty Rate for such Royalty Tier, (b) adding the resulting amounts together, and (c) dividing such aggregated amount by the total Royalty Group Sales in such month.~~

~~For example, if the Royalty Group Sales for the calendar year at the start of September was $1,200,000 and the Royalty Group Sales for the month of September is $1,000,000 (this figure was chosen solely for the purpose of demonstrating a transition across three Royalty Tiers), the Applicable Royalty Rate for the month is 8.39%, and the Royalties payment for the month of September would be $83,900, which is calculated as follows:~~

~~(x) The amount of the Royalty Group Sales in Tier 3 (which is the difference between $1,200,000 [the Royalty Group Sales as of September 1st] and $1,500,000 [the maximum amount for Tier 3], which is $300,000) multiplied by the Applicable Royalty Rate for Tier 3 (which is 8.75%), which equals $26,250; plus~~

~~(y) The amount of the Royalty Group Sales in Tier 4 (which is the difference between $1,500,000.01 [the minimum amount for Tier 4] and $2,000,000 [the maximum amount for Tier 4], which is $500,000) multiplied by the Applicable Royalty Rate for Tier 4 (which is 8.35%), which equals $41,750; plus~~

~~(z) The amount of the Royalty Group Sales in Tier 5 (which is the difference between $2,000,000.01 [the minimum amount for Tier 5] and $2,200,000 [the Royalty Group Sales as of September 30th], which is $200,000) multiplied by the Applicable Royalty Rate for Tier 5 (which is 7.95%), which equals $15,900.~~

~~The sum of (x) + (y) + (z) = $83,900, which is then divided by $1,000,000 (the Royalty Group Sales for September). This calculation equals 8.39%, which is the Applicable Royalty Rate for September for the Royalty Group.~~

~~For clarity, the following table depicts the same calculation from the example above in a table format with the applicable portion of the Royalties Scale on the left and the $1,000,000 in Royalty Group Sales for September on the right, divided into the applicable Royalty Tiers:~~

~~Royalties Scale~~					~~September~~		
~~Royalty Tier~~	~~Minimum~~	~~Maximum~~	~~Rate~~		~~Sales~~	~~Royalties~~	~~Rate~~
~~1~~	~~$0~~	~~$500,000~~	~~10%~~		~~N/A~~	~~N/A~~	~~N/A~~
~~2~~	~~$500,000.01~~	~~$1,000,000~~	~~9.15%~~		~~N/A~~	~~N/A~~	~~N/A~~
~~3~~	~~$1,000,000.01~~	~~$1,500,000~~	~~8.75%~~		~~$300,000~~	~~$26,250~~	~~8.75%~~
~~4~~	~~$1,500,000.01~~	~~$2,000,000~~	~~8.35%~~		~~$500,000~~	~~$41,750~~	~~8.35%~~
~~5~~	~~$2,000,000.01~~	~~$2,500,000~~	~~7.95%~~		~~$200,000~~	~~$15,900~~	~~7.95%~~
~~6~~	~~$2,500,000.01~~	~~$3,000,000~~	~~7.55%~~		~~N/A~~	~~N/A~~	~~N/A~~
				~~**Total**~~	~~**$1,000,000**~~	~~**$83,900**~~	~~**8.39%**~~

~~For further clarity, the aggregate amount of Royalties paid would be the same, whether the Royalty Group is comprised of a single System Business or if there are multiple System Businesses in the Royalty Group. If there is only one Restore Franchise in the Royalty Group, the Royalties due for September would be $1,000,000 multiplied by 8.39%, which equals $83,900. If there are multiple Restore Franchises in the Royalty Group, then the sales for each franchise would be multiplied by the Applicable Royalty Rate to determine the Royalties due for each franchise. In this example if there are two franchises in the Royalty Group and the Gross Service Sales of one of the franchises in September is $400,000, the Royalties due for September for such franchise would be $400,000 multiplied by 8.39%, which equals $33,560. If the Gross Service Sales for~~

~~the second franchise in September are $600,000, the Royalties due for September for the second franchise would be $600,000 multiplied by 8.39%, which equals $50,340. Taken together, the total Royalties due for the two Restore Franchises equals $83,900 [$33,560 + $50,340] (which is the same amount paid by a Royalty Group with only one Restore Franchise in it).~~

~~The range of Royalty Group Sales amounts in the Royalties Scale will increase annually on January 1 of each year of the Franchise Agreement in accordance with the Consumer Price Index, or 3%, whichever is greater. The updated ranges in the Royalties Scale will be published in the Manual.~~

~~THE RANGES OF GROSS SERVICE SALES IN THE ROYALTIES SCALE IS IN NO WAY INTENDED TO IMPLY THAT YOU WILL EXPERIENCE GROSS SERVICE SALES OF ANY PARTICULAR LEVEL.~~

~~5. Transition Program. For certain existing franchisees and franchisees that acquire an existing Restore Franchise through a transfer, we are currently offering a transition program to assist in the transition from our prior formula for calculating Royalties to the current Royalties Scale (the "**Transition Program**"). Under Franchise Agreements executed before May 2025, franchisees paid us Royalties based on a royalty rate that varied based on the type of services rendered and paid us certain additional fees related to Optional Programs. Under the current Franchise Agreement offered under this Disclosure Document, Royalties are based on the Royalties Scale for all of the services rendered (without distinguishing between types of services) and a number of additional fees related to Optional Programs will no longer be charged. The Transition Program is intended to provide certain new or existing franchisees with the opportunity to have an interim transitional royalty rate during the period between signing the Franchise Agreement (or an amendment to the Franchise Agreement) and the last day of the month in which the first anniversary of such signing date occurs (the "**Transition Period**") before they begin paying Royalties based on the Royalties Scale. We may change or discontinue the Transition Program at any time, in our sole discretion.~~

~~The Transition Program is not offered to new franchisees buying their first Restore Franchise since they have not paid us Royalties before, and, therefore, they have not been accustomed to a different methodology of calculating Royalties.~~

~~A. Eligibility for Transition Program. Currently, you will only be eligible for the Transition Program if any of the following circumstances apply:~~

~~(1) Renewal for a Single-Unit Franchisee. You and your affiliates (i) own only one Restore Franchise, (ii) are entering into a renewal term for such Restore Franchise, and (iii) have not had any defaults under your existing Franchise Agreement in the 12-month period preceding renewal.~~

~~(2) Renewal for a Multi-Unit Franchisee. You and your affiliates (i) own more than one Restore Franchise, (ii) are entering into a renewal term for one or more of the Restore Franchises, (iii) have not had any defaults under your and their existing Franchise Agreements in the 12-month period preceding renewal, and (iv) agree to convert all of your and their Restore Franchises to the Royalties Scale by amending all of the other existing Franchise Agreements at the time of renewal to reflect such conversion.~~

~~(3) Transfer of an Existing Restore Franchise to a Franchisee that is New to the System. You and your affiliates (i) do not own any Restore Franchises and (ii) acquire one or more existing Restore Franchises from one or more existing franchisees.~~

~~(4) Transfer of an Existing Restore Franchise to an Existing Franchisee. You and your affiliates (i) own at least one Restore Franchise, (ii) acquire one or more existing Restore Franchises from one or more existing franchisees, (iii) have not had any defaults under your or your affiliates' existing Franchise Agreements in~~

~~the 12-month period preceding the closing of the transfer, and (iv) agree to convert all of your and your affiliates' Restore Franchises to the Royalties Scale by amending all of the other existing Franchise Agreements at the closing of the transfer to reflect such conversion.~~

~~(5) Purchase of an Additional New Franchise by an Existing Franchisee. You and your affiliates (i) own at least one Restore Franchise, (ii) are purchasing one or more new Restore Franchises, (iii) have not had any defaults under your or their existing Franchise Agreements in the 12-month period preceding renewal, and (iv) convert all of your and their Restore Franchises to the Royalties Scale by amending all of the other existing Franchise Agreements at the closing of the new Restore Franchise purchase. Note, we will not sell you or your affiliates a new Restore Franchise, unless you and they agree to convert all of your and their Restore Franchises to the Royalties Scale at the time you acquire such new franchise.~~

~~To be clear, under each scenario described above, you and your affiliates must satisfy each of the qualifications in order to qualify for the Transition Program.~~

~~As a result, if you and your affiliates are existing franchisees, you and your affiliates will only be eligible for the Transition Program if you and they agree to convert all of the existing Restore Franchises to the Royalties Scale at the time of the relevant renewal, transfer, or purchase. If you and your affiliates meet all of the other conditions necessary to be eligible for the Transition Program but you or they do not agree to convert all the other Restore Franchises to the Royalties Scale at the same time as the transfer, renewal, or purchase, you and your affiliates will forfeit the opportunity for any of your or their Restore Franchises to take advantage of the Transition Program, even if you or they would otherwise qualify for such program in the future.~~

~~For example, if (i) you and your affiliates collectively own four Restore Franchises, (ii) you are entering into a renewal term for one Restore Franchise, and (iii) you and your affiliates have not defaulted under your or their existing Franchise Agreements in the preceding 12 months, all four Restore Franchises would qualify for the Transition Program as long as you and your affiliates agree to sign an amendment for the three non-renewing Restore Franchises to convert to the Royalties Scale for the determination of Royalites. If you and your affiliates do not agree to convert the three non-renewing Restore Franchises to the Royalties Scale, (a) the Restore Franchise being renewed will not be eligible for the Transition Program and will immediately pay Royalties pursuant to the Royalties Scale, and (b) the other three Restore Franchises will not be eligible for the Transition Program in the future when they are entering into renewal terms (or any of the other potential eligibility events occur), even if you are in the future willing to convert all of your Restore Franchises to the Royalties Scale.~~

~~B. Applicable Royalty Rate for Franchisees in the Transition Program. If you are eligible for the Transition Program, we will determine whether the Applicable Royalty Rate for determining the Royalties in the Transition Period will be the Transition Rate or alternatively will be determined by the Royalties Scale in accordance with the procedure described herein below. The following defined terms will be used in making such determination:~~

~~1. "**Lookback Period**" will be the 12-month period ending on the last day of the month that immediately precedes the effective date of your Franchise Agreement (or an amendment to an existing Franchise Agreement) (the "**Lookback Period**").~~

~~For example, if the effective date is July 15, 2025, the Lookback Period will be July 1, 2024 through June 30, 2025.~~

~~2. "**Royalty Group Expenses**" will be determined on a Royalty Group-wide basis and will be equal to (a) total Royalties owed during the Lookback Period + (b) total QRV Program fees owed during the Lookback Period + (c) total National Account referral fees (a.k.a. Branch 88 fees) owed during the Lookback Period. The~~

~~amounts owed in the Lookback Period will be based on the fee structures in the Royalty Group's existing Franchise Agreements, which includes fees that are not included in this current Disclosure Document and will not be charged to new franchisees (such as the QRV Program and National Account referral fees).~~

~~3. "**Effective Rate**" will be a rate equal to (a) total Royalty Group Expenses during the Lookback Period divided by (b) total Royalty Group Sales during the Lookback Period.~~

~~4. "**Transition Rate**" will be the Effective Rate plus one percentage point (1%). For example, if the Effective Rate is 6.05%, the Transition Rate will be 7.05%.~~

~~5. "**Scale Rate**" will be determined on a Royalty Group-wide basis and will be equal to the blended Applicable Royalty Rate that the Royalty Group would have paid during the Lookback Period had the Royalties Scale been in effect in that period. However, the Scale Rate will not take into account any reset of the Royalty Scale that would have otherwise occurred during the Lookback Period and will instead be calculated as if all of the Royalty Gross Sales were achieved in a single calendar year.~~

~~For example, if the Lookback Period was June 1, 2024 through May 31, 2025, under the Royalty Scale rules described in Note 4, on January 1, 2025, the Royalty Scale would ordinarily reset to Royalty Tier 1 with an Applicable Royalty Rate of 10%. However, for purposes of determining the Scale Rate applicable to the Transition Program, the actual Royalty Gross Sales achieved during the Lookback Period (in this example, June 1, 2024 through May 31, 2025) will be treated as if they occurred in a single calendar year such that there will not be any reset of the Applicable Royalty Rate during the Lookback Period.~~

~~To determine the Applicable Royalty Rate for those eligible for the Transition Program, we will conduct the following review:~~

~~1. We will, in our sole discretion, define the applicable Royalty Group;~~
~~2. We will calculate the Transition Rate for the Royalty Group during the Lookback Period;~~
~~3. We will calculate the Scale Rate for the Royalty Group during the Lookback Period;~~
~~4. We will compare the Transition Rate to the Scale Rate in the Lookback Period to determine which one will apply during the Transition Period, applying the following rule:~~
   ~~a. If the Scale Rate is less than or equal to the Transition Rate during the Lookback Period, the Royalties Scale will determine the Applicable Royalty Rate throughout the term of the Franchise Agreement, including the Transition Period.~~
   ~~b. If the Transition Rate is less than the Scale Rate, the Transition Rate will be the Applicable Royalty Rate throughout the Transition Period. After the Transition Period, the Royalties Scale will determine the Applicable Royalty Rate throughout the remainder of the current calendar year and the remainder of the term of the Franchise Agreement.~~

~~See Note 4 for details on calculating Royalties under the Royalties Scale.~~

~~For example:~~

~~1. If in the Lookback Period, the Royalty Group (i) generated $1,000,000 in Royalty Group Sales ($200,000 of which were attributable to Construction Services), and (ii) paid $84,000 in Royalties, $5,000 in QRV fees, and $5,000 in National Account referral fees:~~
   ~~a. The Transition Rate is 10.4%. This is calculated by taking (x) the Royalty Group Expenses (based on the fees that were in place under the prior Franchise~~

~~Agreement), which would be $94,000 ($84,000 in Royalties + $5,000 in QRV fees + $5,000 in National Account fees) and dividing that number by (y) the Royalty Group Sales, which is $1,000,000. The resulting percentage is 9.4%, which is the Effective Rate. The Transition Rate is the 9.4% Effective Rate plus 1%, which is equal to 10.4%.~~

~~b. The Scale Rate is 9.57%. This is calculated by determining the blended Applicable Royalty Rate using the Royalties Scale for $1,000,000 in Royalty Group Sales during the Lookback Period. This is calculated as (x) the amount of the Royalty Group Sales in Tier 1 (which is the difference between $0 [the Royalty Group Sales as of the start of the Lookback Period] and $500,000 [the maximum amount in Tier 1], which is $500,000) multiplied by the Applicable Royalty Rate for Tier 1 (10%), which equals $50,000, plus (y) the amount of the Royalty Group Sales in Tier 2 (which is the difference between $500,000.01 [the minimum amount in Tier 2] and $1,000,000 [the maximum amount in Tier 2 and the Royalty Group Sales as of the end of the Lookback Period], which is $500,000) multiplied by the Applicable Royalty Rate for Tier 2 (9.15%), which equals $45,750. The sum of (x) + (y) = $95,750, which is then divided by $1,000,000 (the Royalty Group Sales for the Lookback Period). This calculation equals 9.57%, which is the Scale Rate.~~

~~c. Because the Scale Rate of 9.57% is less than the Transition Rate of 10.4%, the Royalty Group will have its Applicable Royalty Rate determined in accordance with the Royalties Scale throughout the Transition Period and the remainder of the term, rather than the Transition Rate. See Note 4 for details on calculating Royalties with the Royalties Scale.~~

~~2. If in the Lookback Period, the Royalty Group (i) generated $1,000,000 in Royalty Group Sales ($700,000 of which was attributable to Construction Services) and (ii) paid $44,000 in Royalties, $0 in QRV fees, and $0 in National Account referral fees:~~

~~a. The Transition Rate is 5.4%. This is calculated by taking (x) the Royalty Group Expenses (based on the fees that were in place under the prior Franchise Agreement), which would be $44,000 ($44,000 in Royalties + $0 in QRV fees + $0 in National Account fees) and dividing that number by (y) the Royalty Group Sales, which is $1,000,000. The resulting percentage is 4.4%, which is the Effective Rate. The Transition Rate is the 4.4% Effective Rate plus 1%, which is equal to 5.4%.~~

~~b. The Scale Rate is 9.57%. This is the exact same calculation as in the prior example, as the Royalty Group Sales did not change in this example. The changes that occurred in the percentage of services attributable to Construction Services, the QRV fees, and National Account referral fees do not impact the calculation of the Scale Rate, which is determined only by Royalty Group Sales.~~

~~c. Because the Transition Rate of 5.4% is less than the Scale Rate of 9.57%, the Royalty Group will have its Applicable Royalties Rate equal to the Transition Rate throughout the Transition Period, regardless of the level of Royalty Group Sales achieved during the Transition Period. After the Transition Period, the Applicable Royalties Rate will be determined in accordance with the Royalties Scale for the remainder of the term, as described in Note 4.~~

~~C. Applicable Royalty Rate if Ineligible for the Transition Program. If you are not eligible for the Transition Program, the Royalties Scale will determine the Applicable Royalty Rate throughout the term of the Franchise Agreement.~~

4. ~~6.~~ Royalties for Conversion Franchises. For a Conversion Franchise, as described in the Conversion Amendment, the Royalties will not initially be owed on total Gross Service Sales.

We will take into account the level of existing sales for the Conversion Franchise before joining the System and we will, in our sole discretion, phase in the Royalties on an increasing percentage of total Gross Service Sales. For your existing accounts, you will pay the same mutually agreed upon Royalties for so long as you keep the existing account at the same location.

~~7. Royalties for Franchisees That Fail to Timely Renew. If you do not timely renew your Restore Franchise and we permit you to continue to operate the business on a month-to-month basis, after 60 days, the Royalties will increase by an amount equal to 2.5% of Gross Service Sales during each week that you fail to complete the renewal process until (i) the renewal process is completed (including execution of the renewal Franchise Agreement and a general release and payment of the renewal fee) or (ii) the Franchise Agreement is terminated.~~

5. Advertising Obligations for Legacy Renewal Franchises. If you have a Legacy Renewal Franchise, you have the right under your existing Franchise Agreement to lock in your existing Ad Fund Contribution during your next renewal term. The Ad Fund Contribution for Legacy Renewal Franchises is the greater of 1% of Gross Service Sales and $20 per month. If you sign the Construction Services Amendment, for purposes of determining the Ad Fund Contribution, Gross Service Sales will exclude revenue from Construction Services. The Local Advertising Commitment for Legacy Renewal Franchises is 4% of Gross Service Sales (excluding revenue from Construction Services), but your Ad Fund Contributions will count towards satisfying such Local Advertising Commitment. In addition, if you offer Construction Services, you will be obligated to pay us the Construction Services Advertising Fee and to comply with the Construction Services Local Advertising Commitment, as such terms are defined and described in the above table.

~~8. Royalties for Construction Services. If (a) you, your owners or their immediate family members, or your affiliates directly or indirectly perform Construction Services under the Marks or any other marks and (b) you have a fully-executed Construction Services Amendment, the Gross Service Sales of your Restore Franchise will include the revenue derived from such Construction Services, and you will pay the standard Royalties and Ad Fund Contributions on such Gross Service Sales. If (a) you, your owners or their immediate family members, or your affiliates directly or indirectly perform Construction Services under marks other than the Marks and (b) you do not have a fully-executed Construction Services Amendment, the Applicable Royalty Rate will be 10% of Gross Service Sales for such Construction Services, regardless of the Applicable Royalty Rate that would otherwise be in effect. If (a) you, your owners or their immediate family members, or your affiliates directly or indirectly perform Construction Services under the Marks and (b) you do not have a fully-executed Construction Services Amendment, the Applicable Royalty Rate will be 10% of Gross Service Sales for all services for the remainder of the term, regardless of the Applicable Royalty Rate that would otherwise be in effect.~~

6. Optional Program Fees. If you elect to participate in any Optional Programs, you may be required by us, our affiliates, or third parties to pay participation fees, referral fees, and/or service fees to us, our affiliates, insurance carriers, and/or other program participants. Such Optional Program fees are in addition to all other fees specified in the Franchise Agreement, the Related Agreements, or other agreements, and the fee caps described in the table above for each of the Optional Program fees shall not apply to, or impact, any other fees specified in the Franchise Agreement, the Related Agreements, or other agreements.

~~9. Ad Fund Contribution Cap Under the Transition Program. If you are eligible for the Transition Program, if the total Ad Fund Contributions paid by the Royalty Group during the Transition Period reaches the total Ad Fund Contribution owed by the Royalty Group in the Lookback Period (based on the fee structure applicable in the then-effective Franchise Agreements) plus~~

~~$50,000, no further Ad Fund Contributions will be required for the Restore Franchise for the remainder of the Transition Period. After the Transition Period, you must resume paying the Ad Fund Contribution for your Restore Franchise in accordance with the Franchise Agreement.~~

7. ~~10.~~ Lead Fee. A qualified lead is defined as someone who has passed our screening process, our background check, credit check, and at a minimum a phone interview of the prospective franchisee. We are not responsible for locating leads and do not represent that we will do so. The Lead Fee also covers our advertising and marketing costs and administrative costs of such information sharing and gathering. The Lead Fee is not a Transfer Fee.

~~11~~7. Non-Compliance Fee. The Non-Compliance Fees may be charged if we determine that you have violated any of our obligations under the Franchise Agreement, including any failure to comply with any standards set forth in the Manual, including the Standards, in addition to any other remedies we may be entitled to, we reserve the right to charge you one or more non-compliance fees (each, a "**Non-Compliance Fee**") upon written notice to you. The Non-Compliance Fees (a) shall be $1,000 per single violation per day, unless otherwise specified in the Manual or otherwise in writing, (b) may be modified from time to time upon written notice to you, provided that it will not exceed $2,000 (c) may be charged repeatedly (as frequently as daily) if the non-compliance is ongoing, and (d) may vary based on the severity of the violations, the number of violations, and whether the violations have been repeated.

ITEM 7:
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount of Expenditure (Note 1)		Method of Payment	When Due	To Whom Payment is Made
	Low	High			
Initial Franchise Fee (Note 2)	$72,500	$72,500	Lump sum	Upon signing Franchise Agreement	Us
Equipment and Supplies (Note 3)	$85,000	$150,000	As incurred	Before opening	Vendors
Truck (Note 4)	$9,000	$13,500	As incurred	Before opening	Vendors
Technology System (Note 5)	$1,800	$3,000	As incurred	Before opening	Vendors
Travel and Other Expenses During AOS Training (Note 6)	$4,000	$7,000	As incurred	Before opening	Vendors
Insurance (Note 7)	$8,800	$19,350	As arranged	Before opening	Insurance provider(s)
Certifications (Note 8)	$0	$340	As arranged	Before opening	Vendors
Local Advertising Commitment (Note 9)	$1,500	$5,000	As arranged	As incurred	Vendors
Miscellaneous Opening Expenses (Note 10)	$1,000	$7,200	As incurred	As incurred	Vendors
Real Estate Expenses (Note 11)	$8,000	$25,000	As incurred	As incurred	Landlord
Professional Fees (Note 12)	$5,000	$15,000	As incurred	As incurred	Lawyer and CPA
Additional Funds – first 3 months (Note 13)	$70,000	$125,000	As incurred	As incurred	Employees, Suppliers, Utilities, and Government Agencies

Type of Expenditure	Amount of Expenditure (Note 1)		Method of Payment	When Due	To Whom Payment is Made
	Low	High			
Total for Disaster Restoration License (Note 14)	**$266,600**	**$442,890**			

Notes to Item 7:

1. **General Item 7 Notes.** Except as otherwise noted, each of the fees in the chart and notes below relate to all Restore Franchises, including Conversion Franchises and Restore Franchises that offer, or choose not to offer, Construction Services. As we do not offer SRM Licenses or Supplemental Services Licenses to new franchisees, if you renew or purchase an existing SRM License or Supplemental Services License, you will not incur the fees listed in Item 7, because your Restore Franchise has already been in operation. As we do not expect that new franchisees will qualify to participate in Optional Programs in their first year of operation, the estimates do not include any additional investments that may be necessary to participate in such Optional Programs.

2. **Initial Franchise Fee.** The Initial Franchise Fee is refundable only if we, in our sole discretion, do not accept the Franchise Agreement. The Initial Franchise Fee may vary depending upon whether you are eligible for any of the discounts listed in Item 5 or if you are a Conversion Franchise. The Initial Franchise Fee includes the AOS Training for two people.

3. **Equipment and Supplies.** You must purchase an initial inventory of equipment and supplies. We will specify in the Manual the items that you must acquire, which currently include, among other things, a truck mount, a portable extractor, a sealed extraction device, 50 air movers, 10 dehumidifiers, thermohygrometers, moisture probes, air scrubbers, a wall drying system, HEPA filtered vacuums, safety equipment, and various other products, equipment and supplies. We have made arrangements with a supplier to offer our franchisees an opening package of the minimum required items. While you are required to purchase certain items from this supplier or other approved or designated vendors, you may purchase most other items from any source. If you are a Conversion Franchise, you may be able to use a substantial amount of your existing equipment and supplies in the operation of your Restore Franchise, but you may need to replace, supplement, or replenish your existing equipment and supplies.

4. **Vehicles.** You may purchase or lease used or new vehicles for use in your Restore Franchise. All vehicles that you use must be mechanically sound, in good repair, clean and neat in appearance without any dents or rust, and in compliance with your state's safety requirements. All vehicle used in this Restore Franchise must display the applicable ServiceMaster® colors and decals according to our guidelines contained in the Manual. We do not mandate a specific vehicle or type of vehicle, but the vehicle you choose must accommodate the equipment necessary to operate your Restore Franchise.

You will be required to own at startup one truck, and we recommend that the truck be a 20' box truck. A 20' box truck is estimated to cost approximately $40,000 to $80,000. If you finance the truck, we estimate that you will be required to pay approximately 10% down ($4,000 to $8,000 per truck) and will be able to finance the balance over a four to six-year period with monthly payments of between $1,000 to $1,500 per truck. Your monthly payments will vary depending on the cost of the trucks, the time period of the financing, your creditworthiness, the amount of down payment, and the interest rate. In addition, once you purchase the truck, it will cost approximately $4,000 to wrap and install the required signage on each truck, depending on your market. The estimate includes the down payment, the first months' payment, and vehicle identification work for a $40,000 truck (which is the low estimate) and an $80,000 truck (which is the high estimate). If you are a Conversion Franchise and already own the necessary trucks, you may only incur the cost to wrap and install the required signage on each truck.

5. **Technology System**. You must obtain a business-class high-speed Internet connection and a single static IP address. This estimate includes the cost of one month of such service. You must also purchase a laptop computer and must license and use (a) Restore 365 Plus, (b) Xactimate®, which is a customized and fully-integrated software system that allows you to create a comprehensive disaster restoration estimate, (~~the "**Estimating and Pricing Software**"),~~c) a Cotality™ subscription, which allows you to submit documents and claims to certain insurance carriers, (d) QuickBooks Premier, ~~and~~(e) Microsoft Office Home and Business, and/or (f) any other software we may require.

6. **Travel and Other Expenses During Training**. This estimate is the cost for one to two people to attend AOS Training. AOS Training will be held in Memphis Tennessee or any other location designated by us. The cost of the training for two people, as well as some meals, are included in the Initial Franchise Fee, but you must pay an additional per person fee if you would like additional trainees to attend. You are responsible for the travel and living expenses, wages, and other expenses incurred by any of your representatives during the program, which is reflected in the estimate. The low estimate is for one person, and the high estimate is for two people to travel to AOS Training for 12 days. Your actual cost will depend on your trainees' point of origin, method of travel, class of accommodations, and dining choices. In certain periods of time, we may require you to attend our AOS Training remotely online via videoconference. In such periods, you will not incur travel expenses.

7. **Insurance.** You must obtain the types and amounts of insurance that we specify from time to time. The current minimum requirements are specified in Item 8. This figure is an estimate of the cost for a down payment for the annual premium payments necessary to maintain the insurance required by the Franchise Agreement. Your cost of coverage will vary based on your claims history, market, service offerings, and number and type of trucks. If you are a Conversion Franchise, you may need to supplement or modify your existing insurance coverage to meet our requirements.

8. **Certifications.** If you are not already certified by the Institute of Inspection Cleaning and Restoration Certification ("**IICRC**"), you will be trained in IICRC Water Damage Restoration Technician (WRT), Applied Structural Drying Technician (ASD), or Fire and Smoke Damage Restoration Technician (FSRT), or Health and Safety Technician (HST) during AOS Training. We are approved by IICRC to administer the certification tests. There is a testing and certification fee payable to IICRC. Your test(s) will be sent directly to IICRC for IICRC to score and issue your certification. The low estimate assumes you are already certified, and the high estimate assumes you must obtain all certifications.

9. **Local Advertising Commitment.** Your advertising costs will likely include such items as promotional materials and advertisements used to generate sales before opening. This estimate does not include Ad Fund Contributions and Construction Services Advertising Fees, which will vary based on your Gross Service Sales.

10. **Miscellaneous Opening Expenses.** You will incur various miscellaneous costs to open your business. These costs include security deposits and utility deposits. In some locations you may be required to obtain a contractor's license. You must satisfy all requirements of applicable law for operating a Restore Franchise within the state and area for which you intend to operate. These requirements may include obtaining a business license from local authorities and/or an authority from the applicable state or federal agency. You may incur legal fees to acquire your authority. You should review the legal requirements of operating in the area in which you anticipate you will be licensed and obtain an estimate of the costs you will incur before you enter into the Franchise Agreement.

11. **Real Estate Expenses.** While we do not require you to rent office space, we recommend separate office and warehouse space of a minimum of 3,000 square feet. This estimate includes your first and last month's rental payment (including any applicable taxes and common area maintenance fees). Your rent will depend on the site's size, condition, accessibility, and location, local market conditions, and demand for the premises among prospective lessees. If you would like a larger warehouse space, you may need to rent additional space and may incur higher rental costs. You should consult with a local commercial real estate broker to get a more accurate estimate of costs in your market. If you are a Conversion Franchise and already rent an appropriate space, your costs may be your monthly rent, instead of lease deposits.

12. **Professional Fees.** You may incur costs in seeking legal and accounting advice to assist you with the formation of your entity, your lease negotiation, your review of this Disclosure Document and related agreements, the development of your business plan, and your employee or independent contractor hiring practices. ~~We strongly recommend that you have your attorney and accountant review all of the franchise documents and advise you on the purchase, development, and operation of the franchise and the formation of your entity.~~

13. **Additional Funds – First 3 Months**. This estimates the additional funds you may need to cover additional expenses you will incur before your Restore Franchise opens and in its first three months of operation. These expenses may include, without limitation, employee salaries, wages, benefits, employee uniforms, payroll taxes, various licenses, telephone/Internet and utility bills, ongoing vehicle payments, ongoing rent, taxes and licensing of vehicles, bank charges, taxes, additional advertising expenses, business licenses, credit card processing fees, leasehold improvements, miscellaneous supplies and equipment, and other miscellaneous items. In preparing this estimate, we have assumed you will have three employees in your start-up stage. Your Restore Franchise will likely require heavy marketing in your first three months of operation to insurance agents and adjusters, in addition to home and business owners. The estimate reflects the additional advertising you may be required to conduct after opening. We have based these figures on our experience franchising Restore Franchises and includes the categories of expenses incurred by a typical Restore Franchise. Your costs will vary depending on how rapidly your business grows.

14. **Total Initial Investment.** In developing these estimates, we relied on our experience and the experience of franchisees (as reported to us) in developing and owning Restore Franchises, as well as our management's business acumen and experience, including estimates from contractors

and vendors. If you choose to purchase additional equipment, products, supplies, and vehicles, your expenses may be higher.

The initial investment described in this Item relates to the development of a new franchise or a Conversion Franchise. If you are renewing your existing franchise, you will not incur most of the expenses referenced in this Item. However, you may be responsible for upgrading your franchise and any related expenses. You will not pay an initial franchise fee on renewal, but you will pay a renewal fee. If you are acquiring an existing franchise by transfer, in addition to the price you negotiate for the purchase of the franchise, you will be responsible for the transfer fee, and you may be responsible for upgrading the franchise and any related expenses. ~~If you are converting an existing disaster restoration business to become a Restore Franchise, your costs may be different.~~

We do not offer financing for your initial investment.

Except as may be noted, none of the payments to us are refundable. The refundability of payments to other parties are determined by your agreements with those parties.

ITEM 8:
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

GENERAL

We have the right to require that products, supplies, furniture, fixtures, equipment, and services (collectively, **"Goods"**) that you purchase for resale or purchase or lease for use in your Restore Franchise: (i) meet specifications that we establish from time to time; (ii) be a specific brand, kind, or model; (iii) be purchased or leased only from suppliers approved by us; (iv) be purchased or leased only from a single source that we designate (which may include us or our affiliates or a buying cooperative organized by us or our affiliates); and/or (v) be purchased as part of a purchasing program, arrangement, or contract that we negotiate or specify. To the extent that we establish specifications, require approval of suppliers, or designate approved suppliers for particular Goods, we will publish such requirements in the Manual or otherwise in writing.

OBLIGATIONS TO PURCHASE FROM DESIGNATED OR APPROVED SUPPLIERS

Currently, we require you to purchase certain cleaning solutions, specialty items, equipment, vehicle graphics, insurance, printed materials, software, and uniforms from suppliers that we have designated or approved. We have made arrangements with a single approved supplier to make available to you some of the Goods (including products, supplies, and equipment) that you will need to establish and operate your Restore Franchise, but you are only required to purchase certain Goods described in the previous sentence from such supplier.

Currently, our affiliate operates a digital advertising agency, known as Blueprint, which is a preferred supplier of digital marketing services that you may choose to engage. Otherwise, we and our affiliates are not approved suppliers of any Goods, but we reserve the right to become an approved or designated supplier in the future.

If there are non-compliant Goods in a Conversion Franchise or a transferred Restore Franchise, the products should be discontinued immediately and the equipment depleted and replaced through attrition with approved equipment.

USE OF AFFILIATED ENTITIES BY FRANCHISEE

Your use of affiliated entities in connection with the operation of your franchise may interfere with our reporting systems and analysis of your franchise. Consequently, you must not use affiliated entities in connection with the operation of your franchise (including, but not limited to, use of affiliated entities to sell, lease, loan, or allow to use personal property or services, such as vehicles, to the franchise) without our prior written consent, which we may withhold in our sole discretion. As a condition to obtaining our consent, we may require your affiliates to guaranty your obligations to us, provide a business plan, and provide periodic reporting of financial and other information.

ITEM 9:
FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	1.1 and Exhibit A	11
b. Pre-opening purchases/leases	3.6, 5.2, 5.3, 5.4.1, 5.18, and Exhibit A	7 and 8
c. Site development and other pre-opening requirements	1.1, 3.1, 3.6, 5.1, 5.15, 5.18, and Exhibit A	7 and 11
d. Initial and ongoing training	3.1, 3.2, 5.1, 5.13, and Exhibit A	11
e. Opening	N/A	11
f. Fees	3.1.1, 3.5, 4, 5.1, 5.3, 5.13, 5.18.2, 11.3, 12.2.4.9, 14.12, 24.1.3, 24.10, ~~and~~ Exhibit A, and Construction Services Amendment	5 and 6
g. Compliance with standards and policies/operating manual	5, 6, and 7	11
h. Trademarks and proprietary information	6.1 and 8	13 and 14
i. Restrictions on products/ services offered	1.2, 5.2, and 5.3 and Exhibit A	8, 9, and 16
j. Warranty and customer service requirements	5.2 and 5.4	11
k. Territorial development and sales quotas	1.1, 5.2.10, and 5.17	12
l. Ongoing product/service purchases	5.2 and 5.3	8
m. Maintenance, appearance and remodeling requirements	5.4	11
n. Insurance	11	6 and 7
o. Advertising	10, Exhibit A, and Construction Services Amendment	6, 7, and 11
p. Indemnification	17.3	N/A
q. Owner's participation/ management/staffing	5.4.4 and 15.1	15
r. Records and reports	9	6
s. Inspections and audits	3.5 and 9.6	6 and 11
t. Transfer	12	17
u. Renewal	2.2	17
v. Post-termination obligations	14	17

Obligation	Section in Franchise Agreement	Disclosure Document Item
w. Non-competition covenants	15	17
x. Dispute resolution	24	N/A
y. Personal Guaranty	5.5.1 and Personal Guaranty Attachment	15

ITEM 10: FINANCING

We and our affiliates do not offer direct or indirect financing arrangements for any purpose in establishing or operating your Restore Franchise. We and our affiliates do not guarantee your promissory note, lease, or any other obligation you may make to others.

We have relationships with certain banks and third-party lenders in different regions and may be able to refer you to a preferred source of financing for Initial Franchise Fees and franchise growth initiatives, but we do not have any arrangements with such lenders and do not receive any benefits from such lenders if you obtain financing from them.

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

As noted in Item 1, we have entered into a management agreement with SM Manager for the provision of support and services to Restore Franchises. SM Manager may provide the training, support, marketing, and other services described in this Item 11 to you on our behalf and will have the authority to exercise many of our rights and perform many of our obligations under the Franchise Agreement. Though we may delegate any of our rights or responsibilities to SM Manager, we remain ultimately responsible for all of the support and services required under the Franchise Agreement.

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

PRE-OPENING ASSISTANCE

Before you open your business, we will:

1. Designate your non-exclusive Territory. We do not participate in site selection; however, your office must be within your Territory and we must approve the location. In evaluating locations, we consider the proximity of your proposed site to customers located in your Territory and other offices. There is no deadline by which we and you must agree to a location, but you will not be able to begin operating your Restore Franchise until we have approved a location. You must abide by all local codes, laws, restrictions and statutes in your area when choosing your office location. We do not review your construction, remodeling, or decorating plans. In addition, we do not own or lease any premises to you. (Franchise Agreement – Section 1.1 and Exhibit A);

2. Provide to you, at your expense, certain approved materials, supplies, equipment, products, forms, etc. once you are ready to commence business. (Franchise Agreement – Section 3.6);

3. Provide you with AOS Training preparation materials and train you at the AOS Training, which you must attend when scheduled. (Franchise Agreement – Section 3.1). Training support will be provided to you in English;

4. Give you access to ServiceConnection to access the Manual which contains both mandatory and suggested specifications, standards, and procedures. Access to ServiceConnection is password-protected and must be limited to franchisees and their key employees only. We will modify ServiceConnection and the Manual, and you will be required to conduct the Restore Franchise in accordance with any modifications. The Manual Table of Contents is listed in Exhibit H to this Disclosure Document. The Manual contains a total of 122 pages. (Franchise Agreement – Section 3.4);

5. If we require you to use any proprietary software, ~~such as the Estimating and Pricing Software,~~ we will provide you with the opportunity to obtain such software from us, our affiliate, or a designated vendor. (Franchise Agreement – Section 5.18); and

6. Review and, if acceptable to us, approve your initial sales and marketing plan and budget. (Franchise Agreement – Section 10.1.1).

ASSISTANCE DURING OPERATION

During the operation of the Restore Franchise, we will:

1. Continue to provide advisory assistance in person, virtually, by telephone, or in writing in English in the operation of the Restore Franchise. (Franchise Agreement – Section 3.2);

2. Make available any training programs that we deem appropriate. We may charge a fee for such additional training. (Franchise Agreement – Section 3.1.2);

3. Give you access to our learning management system, ServiceMaster Brands University (known as "SMBU"), which contains various training modules for you and your employees. Access to SMBU is password-protected and must be limited to your employees only. (Franchise Agreement – Sections 3.1.1);

4. Through your Distributor or ServiceMaster Business Development Consultant, provide instructions regarding improvements and developments for your business, pricing, administrative, bookkeeping, accounting, inventory control procedures and operating problems. We may provide recommended pricing policies, but you are free to set your own prices and discounts. (Franchise Agreement – Sections 3.2, 3.3, and 26);

5. Review any Goods or suppliers that do not conform to our specifications or sourcing requirements. To the extent that we establish specifications, require approval of suppliers, or designate approved suppliers for particular Goods, we will publish our requirements in the Manual or otherwise in writing. (Franchise Agreement – Section 5.3);

6. If you participate in an Optional Program (Franchise Agreement – Section 5.16):

   a. distribute leads, in our sole discretion, to participating Restore Franchises; there is no guarantee that you will receive any leads under these programs; and

   b. make payments to you, upon receipt of payment for services from participating insurers or program participants in accordance with program guidelines;

7. Provide you with access to ~~the Estimating and Pricing Software~~Xactimate®, which will assist you in setting prices. We may provide recommended pricing policies, but you are free to set your own prices and discounts. (Franchise Agreement – Sections 5.18 and 26);

8. In our discretion, assist you in resolving disputes with customers or resolve the dispute directly at your expense (Franchise Agreement – Section 4.3.1).

9. Review your annual marketing plan and budget. You must obtain our written approval for such plan and implement it. (Franchise Agreement – Section 10.1.1);

10. Review all advertising and promotional plans and materials that you desire to use that have not been prepared or previously-approved by us. (Franchise Agreement – Section 10.2);

11. Administer the Ad Fund, which is further described below. (Franchise Agreement – Section 10.3); and

12. Review proposed transferees of your franchise for approval of any proposed transfers and train approved transferees after payment of the transfer fee. (Franchise Agreement – Section 12).

PRICING

We are not obligated to assist you in establishing pricing for services, but we may specify in our Manual recommended or required pricing policies to the extent permitted by law.

ADVERTISING AND PROMOTION

OUR ADVERTISING

We or our designee will from time to time formulate, develop, produce, and conduct marketing and promotional programs in the form and types of media as we or our designee determines to be most effective. ServiceMaster® services may, from time to time, be advertised nationally, regionally, and locally on various types of media, including television, radio, newspaper, magazine, and digital and social media. Our in-house marketing department produces advertising literature, brochures, etc. for your use; however, we may, from time to time, employ an outside agency to produce our national, regional and local advertising. We are not obligated to spend any amount on advertising in your market or Territory.

NATIONAL AD FUND

We have established an Ad Fund for Restore Franchises, which will be funded through advertising fees contributed by Restore Franchises. ~~You~~For new Restore Franchises and Transferred Restore Franchises, you must contribute the Ad Fund Contribution, which is currently, 2% of monthly Gross Service Sales for the first $7.5 million in ~~Royalty~~ Group Sales in a calendar year and 0.5% of monthly Gross Service Sales that are in excess of $7.5 million in ~~Royalty~~ Group Sales in a calendar year. We may change the Ad Fund Contribution, provided that the total Ad Fund Contribution and Local Advertising Commitment will not exceed 4% of Gross Service Sales.

For Legacy Renewal Franchises only, you must contribute to the Ad Fund (a) the Ad Fund Contribution, which is the greater of (a) $20 and (b) 1% of monthly Gross Service Sales (excluding revenue from Construction Services) and (b) the Construction Services Advertising Fee, which is 0.5% of monthly Gross Service Sales from Construction Services.

A financial review of the operation of the Ad Fund will be prepared annually by us, and the cost of preparing such a financial review will be paid by the Ad Fund. Upon your written reasonable request, a copy of the financial review will be sent to you. The National Franchise Council ("**NFC**") may request an audit of the Ad Fund by an independent certified public accountant. The cost of such audit will be charged to the Ad Fund.

LOCAL ADVERTISING

Only those advertising and promotional materials or items which are authorized by us in writing before use shall be used, sold, or distributed, and no display or use of the Marks shall be made without our prior written approval.

You must provide us with an annual marketing plan and budget (the "**Marketing Plan**") and obtain our written approval of such Marketing Plan, which must be revised to incorporate any changes that we require. You must diligently implement the approved Marketing Plan. The Marketing Plan must contain the information specified by us, which may include initial and ongoing marketing, digital marketing, cooperative advertising arrangements, participation in our programs, media buys, use of our endorsed referral programs, grass roots marketing, and other sales and marketing efforts. You are required to implement your Marketing Plan and a failure to do so is a material default under your Franchise Agreement.

From time to time, we may specify, in our sole discretion, in the Manual and otherwise in writing the types, methods, and specifications of local advertising that will qualify as Eligible Local Marketing. You must participate in all marketing and promotions as we determine to be appropriate for the benefit of the System. Local advertising, sales activity, and other marketing activities are subject to our approval and must be consistent with the then-current sales and marketing guidelines (which will be updated from time to time, as we deem necessary). Our advertising policies include general guidelines and cover Internet marketing, social media, broadcast advertising, print advertising, phone books, telephone numbers, publisher errors, marketing in unawarded marketing areas, formal co-operative marketing, local advertising requirements, advertising and marketing methods, marketing programs, and liquidated damages. You must submit to us for approval samples of all advertising and promotional plans and materials that you desire to use. You must conduct all such local advertising in a dignified manner and must conform to our requirements as set forth in the Manual or otherwise in writing.

Each of your trucks and other business vehicles must display the ServiceMaster Restore service mark and any other of our Marks we specify. You are prohibited from displaying any other information on your vehicles except as specified by us in the Manuals or otherwise.

You are required to spend the Local Advertising Commitment on Eligible Local Marketing in each month. ~~Currently~~For new Restore Franchises and Transferred Restore Franchises, currently, the Local Advertising Commitment is 2% of monthly Gross Service Sales for the first $7.5 million in ~~Royalty~~ Group Sales in a calendar year and 3.5% of monthly Gross Service Sales that are in excess of $7.5 million in ~~Royalty~~ Group Sales in a calendar year. We may change the Local Advertising Commitment, provided that the total Ad Fund Contribution and Local Advertising Commitment will not exceed 4% of Gross Service Sales. Ad Fund Contributions will not count towards satisfying your Local Advertising Commitment.

For Legacy Renewal Franchises only, the Local Advertising Commitment is 4% of monthly Gross Service Sales; however, the Ad Fund Contributions (which are equal to the greater of $20 and 1% of monthly Gross Service Sales, excluding revenue from Construction Services) will count towards satisfying your Local Advertising Commitment. In addition, if you sign the Construction Services Amendment, you must spend the Construction Services Local Advertising Commitment on Eligible Local Marketing in each month, which is equal to 0.5% of Gross Service Sales derived from Construction Services. The Construction Services Advertising Fees will count towards satisfying your Construction Services Local Advertising Commitment.

Upon our request, you must provide an accounting of your monthly and/or annual local advertising expenditures and provide any evidence necessary to demonstrate your compliance with the Local Advertising Commitment and, if applicable, Construction Services Local Advertising Commitment. If you fail to meet ~~your Local Advertising Commitment~~such commitments in any month, in addition to our other remedies, you must contribute to the Ad Fund the difference between the amount spent on Eligible Local Marketing in such month and the Local Advertising Commitment and/or Construction Services Local Advertising Commitment in such month, plus interest and late fees.

You are not required to participate in a local or regional advertising cooperative.

DIGITAL MARKETING

We will reference your Restore Franchise on the website we develop for the System so long as you are in full compliance with the Franchise Agreement. You will subscribe to all current digital marketing programs from time to time as set out in the Manual and must pay any related fees. Unless we consent otherwise, you may not establish a separate website or social media account to advertise, market, or promote the Restore Franchise, conduct commerce, or directly or indirectly offer or sell any products or services in connection with the Restore Franchise. You may not use the Marks or any words or designations similar to the Marks in a domain name, search engine keyword, or metatag in connection with the Restore Franchise.

We or our affiliates may, in our or their sole discretion, establish, operate, and/or participate in websites, social media accounts (such as Facebook, X, Instagram, Pinterest, etc.), applications, online advertising purchasing programs, accounts with websites featuring gift certificates or discounted coupons, mobile applications, podcasts, blogs, vlogs, video and photo-sharing sites (such as TikTok, YouTube, etc.), chat rooms, virtual worlds, review sites, or other means of digital advertising on the Internet or any electronic communications network that may be used to promote the Marks, Restore Franchises, and/or the entire network (collectively, "**Digital Marketing**"). We will have the sole right to control all aspects of any Digital Marketing, including those related to your Restore Franchise. Unless we consent otherwise in writing, you, your employees, and your agents may not, directly or indirectly, (a) conduct or be involved in any Digital Marketing that use the Marks or that relate to any Restore Franchise or the network, (b) use the Marks, or any words or designations similar to the Marks, in any domain name, search engine keyword, social media account, or metatag, and (c) use a form of Digital Marketing to conduct commerce or directly or indirectly offer or sell any products or services in connection with your Restore Franchise. If we permit you or your representatives to conduct any Digital Marketing, you and your representatives must comply with any policies, standards, guidelines, or content requirements that we establish periodically and must immediately modify or delete any Digital Marketing that we determine, in our sole discretion, is not compliant with such policies, standards, guidelines, or requirements. If you or your representatives conduct any Digital Marketing, we will have the right to retain full control over all websites, social media accounts, mobile applications, or other means of digital advertising that are used. We may withdraw our approval for any Digital Marketing or suspend or terminate your use of any Digital Marketing platforms at any time.

COMPUTER HARDWARE AND SOFTWARE SYSTEM REQUIREMENTS

You must, at your expense, acquire and use the computer systems, hardware, tablets, mobile devices, printers, software, apps, websites, network connections, and firewall services (collectively, "**System Components**") that we specify for the operation of the Restore Franchise, including software used to manage the Restore Franchise, provide products and services in accordance with the Standards, and/or interact with our accounting, customer relationship, or other technology systems. We may require you to obtain, update, and use specified System Components from vendors that we designate.

Other than providing you with access to ~~the Estimating and Pricing Software~~Restore 365 Plus and Xactimate®, we have no obligation to provide or to assist you in obtaining any System Components. We will publish in the Manual our minimum recommendations for any System Components.

Currently, we recommend that you use a modern laptop (with Microsoft Windows® and adequate memory, speed, storage, and internet connectivity), a laser printer, a high-speed Internet service provider, and an iPad®. You must install and maintain a software connection to enable accurate and complete transmittal of accounting data from you to us at the times and in the manner specified by us. We must have independent access to the information generated and stored in your computer systems. You are responsible for installing anti-virus software on all your Restore Franchise computers and mobile equipment and must enable firewalls on all internet modems accessed by the Restore Franchise computer and mobile equipment. We estimate that the cost to purchase your computer system will be between $1,800 and $3,000.

You must use an accounting application software for your Restore Franchise, which syncs its data with Restore 365 Plus ~~Software~~software either directly or through an API between the two software platforms. You must install and maintain a software connection to enable accurate and complete transmittal of accounting data from you to us at the times and in the manner specified by us. The technical support for the software will be provided by the accounting application hosting vendor.

Restore 365 Plus software is a business operating software designed to trace and monitor your local jobs, national program leads/jobs, run reports, and track contacts (customers, adjusters, agents, building managers, and subcontractors) and is for use for Restore Franchises. You are required to sign a Software License Agreement for use of this software, a copy of which is attached in Exhibit G-2 to this Disclosure Document. The Restore 365 Plus software initial set-up fee is included in the Initial Franchise Fee for new owners of Restore Franchises (not for existing owners purchasing another Restore Franchise, because an additional set-up fee is not required). You pay a monthly license fee for your primary location and an additional monthly fee for any secondary locations which you may add, which is part of the Technology Fees described in Item 6. You also pay an audit fee for each insurance claim processed through the software, which is also part of the Technology Fees. All Optional Program participants are required to subscribe to and use this software.

We recommend you use (and, if you submit any insurance claims, you must use) Mitigate™, which is part of Cotality's software platform, to document claims to support invoices. Currently, you must pay Cotality $7 per insurance claim that is documented through Mitigate. Cotality may change the fees payable to it from time to time.

You must obtain a Cotality™ subscription to be able to submit invoices, audits, and other documents to certain insurance carriers. You must pay Cotality a monthly subscription fee that is currently $135 per month for up to two insurance carriers and $209 per month for two or more insurance carriers. Cotality may change the subscription fees from time to time.

~~The Estimating and Pricing Software is a customized fully-integrated software system that allows you to do a~~Certain insurance carriers require you to use Xactimate® to produce comprehensive disaster restoration ~~estimate. Updates will be automatically provided to you if the Estimating and Pricing Software provider provides updates to us. The lease terms for the Estimating and Pricing Software are more fully described in Item 6~~estimates. Xactimate will be licensed to you by Xactware, Inc. You will be required to sign an End User License Agreement, a copy of which is attached in Exhibit G-1 to this Disclosure Document. ~~If your Franchise Agreement expires or is terminated, your license to use the Estimating and Pricing Software also terminates.~~Currently, you must pay Xactware $158 per month to license Xactimate. If you use Xactware's ContentsTrack, which is an inventory management tracking software, you must pay Xactware an additional fee of $29 per job. Xactware may change these fees from time to time.

~~There may be a customer who requires use of a different estimating software (other than this Estimating and Pricing Software). Should you choose to perform work for that customer, you will have different software fees and will make payments to that software vendor.~~

Certain insurance carriers require claims to be submitted through Claims Workspace™, which is part of Cotality's software platform. Currently, you will need to pay Cotality $15 per job that is processed through Claims Workspace. Certain insurance carriers require claims to be submitted through XactAnalysis®, which is part of Xactware's software platform. Currently, you will need to pay Xactware $6.25 to $37.80 per job that is processed through XactAnalysis. Cotality and Xactware may change these processing fees from time to time.

We may develop or designate new or modified System Components in the future and may deauthorize the use of certain System Components. You may be required to incur costs to purchase, lease, and/or license new or modified System Components and to obtain service and support for the System Components. All System Components must be updated, maintained, and used in compliance with our specifications. There are no contractual limitations on the frequency or cost of such upgrades; however, we currently do not require or recommend you to enter into any maintenance or upgrade contracts.

You must pay an ongoing Technology Fee, as described in Item 6, which currently costs (a) $7,800 per year for the Restore 365 Plus software for one location and a $15 audit fee per insurance claim, (b) $1,099 per year for Clerk of the Works software, and (c) $1,800 per year for the Morning Coffee software. The optional software that is currently part of the Technology Fee currently costs (i) $1,140 per year for DocuSketch, plus $5 to $45 per job and (ii) $5,004 per year for EarthVisionZ. These fees, and the included products and services, may change from time to time, provided that the fees charged by us or our affiliates will not exceed 150% of our and our affiliates' costs and expenses related to developing, providing, licensing, maintaining, and/or procuring such products and services.

We have no obligation to upgrade your System Components. In addition to any changes that we may require, we recommend upgrade your individual systems if you wish to take full advantage of the speed and improvements of the software packages. If you choose to run hardware that does not meet our minimum standards for running software that causes conflicts, we will not be able to provide you with support.

We may require you to electronically upload or transmit information to us or the System Components on a periodic basis (including daily). We have the right to independently access sales information, including customer information, and other data produced by and stored on the System Components and Restore 365 Plus Software. There are no contractual limitations on our right to access and use any information and data on the System Components, even if the data is maintained by a third party.

virtually via videoconference or another online platform.

3. Our training programs in these technical areas are approved IICRC courses, and IICRC testing is available through us. If you choose to seek IICRC Certification, testing is available for FSRT, HST, WRT, and ASD during AOS Training. (See also Item 6.) You must pay a testing fee of $80 per test, payable to IICRC, which is due at the time of the test. We do not receive any revenue from administering these tests for IICRC. Your completed tests are sent to IICRC for scoring, and IICRC certifies you if you have a passing score. Results are sent directly to you from IICRC and are usually received from IICRC within six weeks after completion of the exam(s).

As discussed above, our training program will include advice and modules that address suggested or recommended staffing for the efficient operation of the Restore Franchise, and for delivering services in accordance with our customer service standards and other brand standards. Even though we may offer suggestions, advice, guidelines, or programs, you will have sole responsibility for all employment decisions and functions related to your Restore Franchise, including hiring, firing, promoting, demoting, compensation, benefits, scheduling of employee work hours and shifts, work rules, record-keeping, supervision, and discipline of employees.

<u>Additional Training</u>

We shall provide other training programs as each is developed and we deem appropriate. You (and, if you are an entity, an officer and at least one of your owners) are required, at your expense, to attend at least three of the seminars, workshops, conventions, or meetings offered by us for our franchisees (one of the required three events must be the annual convention). Currently, we provide regional workshops, several training sessions, and breakouts at our annual convention; specific certification training sessions on various topics throughout the year; other training courses available online through SMBU; and regional workshops from time to time in various regions. You must pay any registration fees that we specify for such events, which are currently approximately $500 per attendee for regional workshops (and will not exceed $4,000 per attendee per training program, seminar, or workshop) and $1,000 per attendee for our annual convention (which will not exceed $2,000 per attendee).

In each year in which we hold an annual convention, you are required to register and pay the then-current registration fee for at least one of your representatives, who must be either (i) an owner, (ii) manager, or (iii) another person who has been approved by us. ~~If you own more than one Restore Franchise, then you must send at least one representative for one to two Restore Franchises, two representatives for three to four Restore Franchises, three representatives for five to six Restore Franchises, four representatives for seven to eight Restore Franchises, five representatives for nine to 10 Restore Franchises, six representatives for 11 to 12 Restore Franchises, and seven representatives for 13 or more Restore Franchises.~~ You may send to annual convention more than the minimum number of representatives, provided you pay the registration fees and other costs and expenses associated with such representatives attending convention. If you ~~fail to have the minimum number of representatives attend the required annual convention,~~<u>or a designated officer or manager of the Franchised Business fail to attend two consecutive annual conventions</u> and there is no valid business reason, as determined by us, in our sole discretion, then you must pay us for each absent representative up to 150% of the then-current convention registration fee.

<u>Variations in Training</u>

The initial and ongoing training that a franchisee may be required to attend may not be uniformly imposed on all franchisees. Differences in required initial and ongoing training may be based on the franchisee's experience, the demographics of the franchisee's Territory, the density of the population, whether the area is a metro area and other reasonable factors.

If you sign an agreement for a second or subsequent franchise, you or a manager representative approved by us must attend and successfully complete an approved training class as specified by us within 12 months of signing the Franchise Agreement. If you or your manager representative, as applicable, is unable to attend the required training class specified by us within the 12-month period for a valid business reason approved by us, then we may, in our discretion, require you to attend different classes or training programs at your expense, in lieu of the required class. In addition, if you sign an agreement for a second or subsequent franchise, the individual who will be actively managing the new franchise must attend and successfully complete our Initial training program before the new franchise opens for business.

CONSULTATION

We will provide, in accordance with the terms we specify, continuing advisory assistance in person, virtually (by videoconference, webinar, recorded media, or other means that we designate), by telephone or in writing on the operation of the Restore Franchise at no additional charge.

ITEM 12:
TERRITORY

FRANCHISE LOCATION

We will designate the Territory within which you will perform services and must locate your office. We consider total population and relative affluence to determine your Territory; we do not offer a minimum territory. You may not alter your Territory and must receive written permission from us before relocating your office within the Territory. In determining whether to approve the relocation of your office, we consider the proximity of the proposed site to the location of customers in your Territory and other offices.

PROTECTED RIGHTS

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

You may market and solicit outside your Territory (including, subject to our marketing approval rights, through the Internet, telemarketing, or other direct marketing) only when (i) marketing disaster restoration services to insurance agents and adjusters whose office is located outside your Territory, but whose customers are located within your Territory or (ii) marketing commercial services to a property manager, group, or company whose office is located outside your Territory, but whose commercial facility is within your Territory. You are allowed to service a customer outside your Territory when the customer initiates the request. If a customer that you are authorized to service has locations located outside of your Territory, you (a) may provide such services directly to such Territory Account, regardless of where the services are provided, (b) may coordinate with other Restore Franchises for such businesses to provide the services to such Territory Account (in which case you and such other Restore Franchises shall negotiate a split of revenue and coordinate the payment of such revenue), or (c) may request that we refer such lead to another Restore Franchise in conjunction with us providing the Branch 44 account management services. Except as provided in this paragraph, you do not have the right to use any channels of distribution, such as the Internet, telemarketing, or other direct marketing, to make sales outside your Territory.

If you operate an SRM Franchise, you may target or market recovery management services to customers outside of your Territory with our written consent and in accordance with the Manual. In addition, you may be required to mobilize or dispatch equipment and supplies for all qualified projects within a 500-mile radius outside of your Territory and to dispatch a designated representative to such loss site.

We may not modify your Territory during the term, as long as you are in compliance with your Franchise Agreement and Related Agreements. If we have the right to terminate the Franchise Agreement as a result of your default, we may, among other things, reduce the size of your Territory as an alternative remedy.

In addition, if you are not in compliance with our then-current System standards: you will not ~~qualify~~be eligible to receive ~~consideration for~~ job leads for services to be provided within your Territory; and you will have no option or other similar right of refusal with respect to any leads from us.

OUR RESERVED RIGHTS

Nothing in the Franchise Agreement prevents us from establishing or operating or granting any other person or entity the right to establish or operate businesses using the System or a similar system anywhere outside of your Territory, or marketing services or products that are not a part of the System licensed by the Franchise Agreement under the Marks within your Territory. The System licensed by the Franchise Agreement relates to the Core Services, Additional Core Services, Supplemental Services, Construction Services, and other services that we may designate as part of the System in the future.

We or our affiliates may conduct, or grant others the right to conduct, any business activities, under any name or trademark, using any system of operations, in any geographic area, and at any location, regardless of the proximity to or effect of such activities on the Restore Franchise. For example, we and our affiliates may, among other things: (i) operate, and grant to others the right to operate, anywhere (including inside and outside the Territory) ServiceMaster® businesses, including Restore Franchises operating under any SM License (including the same type of SM License as yours) and any other ServiceMaster Clean® or ServiceMaster Restore® businesses; (ii) operate, and grant to others the right to operate, anywhere (including inside and outside the Territory) any retail or other businesses, including those offering the same, similar, or different products or services using the System or elements of the System under the Marks or any other trademarks, service marks, or trade dress; (iii) solicit and sell any products or services to customers and prospective customers residing anywhere (including inside and outside the Territory), including by direct advertising over the Internet or other electronic means; and (iv) merge with, acquire, establish, or become associated with any businesses or locations of any kind under other systems and/or other trademarks, which businesses and locations may offer or sell items, products, and services that are the same as or similar to the services and products offered at or from the Restore Franchise and which may be located anywhere (including inside and outside the Territory).

COMPETING BUSINESS

Except as described in Item 1, we do not operate or franchise, or currently plan to operate or franchise, any business under a different trademark that sells or will sell goods or services similar to those that our franchisees sell. However, our affiliates, including the Affiliated Programs described in Item 1 and other portfolio companies that currently are or in the future may be owned by private equity funds managed by Roark Capital Management, LLC, may operate and/or franchise businesses that sell owners, however, may be a manager. You are responsible for restricting your managers from improperly using or disclosing our confidential information.

We will not provide any assistance in the hiring of any employees that you may hire. You are an independent owner and operator of the Restore Franchise, and you are responsible for the day-to-day operations of the Restore Franchise. You will have sole responsibility for all employment decisions and functions related to your Restore Franchise, including hiring, firing, promoting, demoting, compensation, benefits, scheduling of employee work hours and shifts, work rules, record-keeping, supervision, and discipline of employees.

Unless we specify otherwise in writing, you must require anyone who may have access to the Confidential Information to execute non-disclosure agreements in a form satisfactory to us, the current form of which is attached to the Franchise Agreement. If you are a corporation, partnership, or limited liability company, we will require any owners that own directly or indirectly 15% or more of the ownership interests in your entity to sign the "Personal Guaranty and Agreement to be Bound Personally by the Terms and Conditions of the Franchise Agreement" attached to the Franchise Agreement, including the confidentiality provisions.

ITEM 16:
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and provide the services we require for your specific SM License. You may not offer or provide services that we have not approved for your specific SM License. Currently, we require all Restore Franchises to offer Core Services and Additional Services, and we permit all Restore Franchises to offer and provide Supplemental Services and Construction Services (if you sign a Construction Services Amendment and comply with certain related provisions). If you operate an SRM Franchise, you also must offer and provide project and recovery management services and commercial large loss disaster restoration services directly to commercial customer. Restore Franchises may not offer asbestos abatement services. We have the right to add to, delete, modify, or further define any of the required or optional services from time to time in our sole discretion and will include such changes in the Manual.

We may develop or acquire other services that are improvements to the System or are compatible services with the System. At our sole discretion, we will determine if they will be incorporated into the System or included in another type of SM License. If we incorporate new services into your SM License, we will provide you with a reasonable period of time to incorporate such services into your Restore Franchise.

You must only service the types of customers (i.e. commercial and/or residential customers) that are authorized under your SM License. You must not actively solicit sales from customers outside of your defined territory (unless you are an SRM Franchise and market related services in accordance with the Manual). You may not enter into agreements with or market to National Accounts, unless we agree otherwise in writing.

Further, we have the right to put limitations on leads that we may develop for our franchisees. We assign these leads at our discretion to participants in certain Optional Programs. Procedures, policies, and standards regarding the ~~National Account Program and the~~ Optional Programs and related lead referrals are provided in the Manual.

If permitted by law, we may require you to charge certain prices for goods or services, certain minimum prices for goods or services, or certain maximum prices for goods or services, as set forth in

Provision	Section in Franchise Agreement	Summary
		(xii) pay the then-current renewal fee; and (xiii) satisfy any other reasonable conditions that we specify. We can refuse to allow you to renew or extend if you fail or refuse (or, in some cases, if during the term of the Franchise Agreement you have failed or refused) to meet each and every of these required conditions.
d. Termination by you	Not Applicable	Not applicable, unless otherwise specified under applicable state laws.
e. Termination by us without cause	Not Applicable	Not Applicable
f. Termination by us with cause	13.1, 13.2, and 13.3	We can terminate only upon uncured or noncurable events of default. This provision may be subject to applicable state law.
g. "Cause" defined – defaults which can be cured	13.1	The following defaults are curable after written notice: (i) seven days to cure a payment default or default related to use of the Marks; (ii) 30 days to cure any breach of any provision of the Franchise Agreement or Related Agreement, any software license agreement, or any Standard in the Manual or Standard relating to image or customer service or treatment, other than those specified in Row "h" below; and (iii) 24 hours to cure any act or conduct that materially impairs the goodwill associated with the Marks or our business operations.
h. "Cause" defined – defaults which cannot be cured	13.3	The Franchise Agreement does not permit you to cure a default except as stated in Row "g" above. Non-curable defaults include (i) insolvency or inability to pay debts; (ii) filing of bankruptcy; (iii) abandonment; (iv) failure to permit access to financial information; (v) failing to comply with the Franchise Agreement (including non-payment of fees due), Standards, or Manual three times within 12 months; (vi) materially impairs the goodwill of the Marks or us; (vii) failing to remedy violation of any laws or regulations; (viii) conviction of a felony, crime involving moral turpitude, or any other crime or offense that may harm the Marks and the Restore Franchise; (ix) failure to maintain the required insurance; (x) an unauthorized transfer by you or your owners; (xi) an unauthorized grant of a security interest; (xii) breach of any confidentiality; (xiii) default by you, your owners, or your affiliates under any Related Agreement that would permit termination of such agreement; or (xiv) failure to meet the Minimum Monthly Sales Requirement three times in any nine-month period.
i. Your obligations on termination/ non-renewal	14	Obligations include (i) cease performing services and advertising; (ii) complete de-identification of vehicles and office location; (iii) cease using the Marks or colorable imitations of the Marks; (iv) transfer phone number(s), listings, email addresses, and social media accounts to us or our assignee; (v) assign or terminate customer agreements at our direction; (vi) return of Manual, all material bearing the Marks, and other materials related to the Restore Franchise; (~~vi) agreeing not to~~vii) no use any reproductions, counterfeit, copy, or colorable imitation of the Marks or System; (~~vii~~viii) delete and/or return all copies of proprietary software and

Provision	Section in Franchise Agreement	Summary
		transfer certain data to us; (~~viii~~ix) cancel assumed names; (~~ix~~x) offer option to purchase assets; (~~x~~xi) comply with non-compete; and (~~xi~~xii) pay amounts due and liquidated damages.
j. Assignment of contract by us	12.1	We have the right to sell or assign the Franchise Agreement in whole or in part.
k. "Transfer" by you – defined	28	Includes a voluntary, involuntary, direct, or indirect assignment, sale, gift, pledge, mortgage, encumbrance, or other disposition of any interest in the Franchise Agreement; you; the Restore Franchise or substantially all of its assets; any of your owners (if such owner is a legal entity); or any right to receive all or a portion of the Restore Franchise's, your, or an owner's profits or losses or any capital appreciation relating to the Restore Franchise, you or any owner.
l. Our approval of transfer by franchisee	12.2	With limited exceptions for transfers to affiliated entities or trusts, we have the right to approve any (A) transfer of (i) the Franchise Agreement (or any interest in the Franchise Agreement), (ii) the Restore Franchise or all or substantially all of its assets, (iii) a controlling ownership interest in you, whether in one transaction or a series of related transactions, or (iv) a controlling ownership interest in any owners that controls you (if such owner is a legal entity), whether in one transaction or a series of related transactions (collectively, a "**Control Transfer**")~~. We will not unreasonably withhold our consent if you satisfy our conditions, and you are substantially complying with the Franchise Agreement. We do not have the right to approve a~~ and (B) transfer of (i) a non-controlling interest in you, (ii) a non-controlling interest in an owner that controls you (if such owner is a legal entity), or (iii) a controlling ownership interest in an owner that does not have a controlling ownership interest in you (collectively, a "**Non-Control Transfer**")~~, but you must provide us with notice of such transfer within 30 days together with the then-current Change Fee, have all parties and their owners sign a general release, and certify that you complied with the terms of the~~. We will not unreasonably withhold our consent to a transfer if you satisfy our conditions, and you are substantially complying with the Franchise Agreement~~ (including restrictions on transfers to competing businesses). Failure to do this is an event of default. We reserve the right to conduct an audit as a pre-condition to any transfer~~.
m. Conditions for our approval of transfer	12.2.4	For a Control Transfer, you must (i) provide us with notice 10 days prior to listing the interest for sale along, (ii) submit an application and application fee for a proposed transferee, (iii) pay all amounts owed, (iv) not breach the Franchise Agreement or Related Agreement in the period before the transfer or your request for consent, (v) sign a termination agreement remaining liable for liability pre-transfer, (vi) commit, along with your owners, to not using our intellectual property, (vii) sign, along with your owners, a general release, and (viii) pay our then-current transfer fee. Your transferee must (a) meet our qualifications, (b) complete training at their expense, (c) either sign our then-current franchise agreement

Provision	Section in Franchise Agreement	Summary
		and related documents, which may include materially different terms and conditions, or assume your existing agreement, (d) have its applicable owners sign a guaranty, (e) have sufficient finances to not adversely affect the operation of the Restore Franchise, (f) prepare a business plan that we approve, and (g) not be involved in, or have any owners involved in, a competing business. For a Non-Control Transfer, you must (i) provide us with advance notice of such transfer and any information we require, (ii) pay the then-current Change Fee, (iii) have all parties and their owners sign a general release and any other documents we require, and (iv) be (and your guarantors must be) in substantial compliance with the Franchise Agreement. Your transferee must (a) meet our qualifications, (b) not obtain a controlling interest through such transfer, and (c) not be involved in, or have any owners involved in, a competing business. We reserve the right to conduct an audit as a pre-condition to any transfer.
n. Our right of first refusal to acquire your business	12.2.12	If you or your owners would like to make a Control Transfer, you must give us a copy of the proposed offer, and we will have 45 days to match such offer. If there are material changes in the terms of the sale, we will have additional rights of first refusal. Our rights under this provision are fully transferable.
o. Our option to purchase your business	14.9	We have the option to purchase from you certain assets used in the Restore Franchise within 60 days after the termination or expiration of the Franchise Agreement at the greater of your cost or fair market value. Our rights under this provision are fully transferable.
p. Your death or disability	12.2.8	Within 6 months of the death or mental incapacity of a person with a controlling ownership interest in you or one of your controlling owners, the person's executor, administrator, or personal representative must transfer the owner's interest to a third party. In the case of a transfer by devise or inheritance, if the heirs or beneficiaries of such franchisee are unable to meet the transfer conditions, the personal representative has 9 months from the death or incapacity to complete a transfer, subject to all the conditions of transfers.
q. Non-competition covenants during the term of the franchise	15.2	You, your owners, and any spouse who is in any way involved in the Restore Franchise may not (i) divert any business or customer to any competitor or own, (ii) perform any act injurious to the Marks or the System, ~~or~~ (iii) engage in any other business which performs any of the services provided by Restore Franchises, or (iv) use any vendor relationship for any other purpose. This provision may be subject to applicable state law.
r. Non-competition covenants after the franchise is	15.3	For one year after termination or expiration, you, your owners, and any spouse who is in any way involved in the Restore Franchise may not within the Territory or 25 miles of your Territory (i) divert any

Provision	Section in Franchise Agreement	Summary
terminated or expires		business or customer to any competitor or own or (ii) engage in any other business which performs any of the services provided by Restore Franchises ~~within the Territory or 25 miles of your Territory~~ and may not (a) perform any act injurious to the Marks or the System or (b) use any vendor relationship for any purpose. This provision may be subject to applicable state law.
s. Modification of the Franchise Agreement	21.2	The Franchise Agreement may be amended by mutual written consent, in which case we will require you and your owners and guarantors to sign the General Release. We may unilaterally modify the Manual from time to time.
t. Integration/merger clause	21.1	The Franchise Agreement is the entire agreement and it supersedes all prior negotiations, commitments, representations, and undertakings; however, nothing in the Franchise Agreement or in any Related Agreement is intended to disclaim the representations we make in the Disclosure Document. Only the terms of the Franchise Agreement and other Related Agreements are binding (subject to state law). Any representations or promises outside of the Disclosure Documents and the Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	24.1	Disputes must be informally negotiated before being submitted to non-binding mediation. If mediation does not resolve the dispute, except for certain disputes listed in the Franchise Agreement and as may be prohibited by applicable state law, all disputes, must be resolved by arbitration in the city in which our principal place of business is located (currently, Atlanta, Georgia).
v. Choice of forum	24.1.3 and 24.2.3	Subject to applicable state laws, all claims must be arbitrated or litigated in the city in which our principal place of business is located (currently, Atlanta, Georgia).
w. Choice of law	25	Subject to applicable state laws, Georgia law applies, without regard to Georgia conflict-of-laws rules.

ITEM 18:
PUBLIC FIGURES

We do not have any public figures serving as a spokesperson for any of the ServiceMaster® brands.

ITEM 19:
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned Units, 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 Unit 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.

This Item 19 presents information about the financial performance during the fiscal year ended December

31, 2024 ("**Fiscal Year 2024**") for Franchise Ownership Groups. A "**Franchise Ownership Group**" or "**FOG**" consists of one or more Restore Franchises that are owned by one or more entities that are affiliated with each other by common ownership. 30.0% of our Franchise Ownership Groups have only one Restore Franchise (a "**Single-Franchise Ownership Group**"). If you are a new franchisee purchasing a single Restore Franchise, you will be a Single-Franchise Ownership Group. 70.0% of our Franchise Ownership Groups consist of one or more entities that own more than one Restore Franchise (a "**Multi-Franchise Ownership Group**"). We believe Franchise Operating Groups are the best measurement of our franchisee's actual business operations.

In this Item 19, we have included data from Franchise Ownership Groups that owned at least one Active Franchise throughout Fiscal Year 2024. An "**Active Franchise**" is a Restore Franchise that (i) opened their business prior Fiscal Year 2024 and had an active Franchise Agreement throughout all of Fiscal Year 2024, (ii) reported Gross Service Sales in at least six of the 12 months of Fiscal Year 2024, ~~and~~ (iii) was owned by the same Franchise Ownership Group throughout Fiscal Year 2024, and (iv) operated under an SRM License. Some Active Franchises that had active Franchise Agreements throughout Fiscal Year 2024 did not report Gross Service Sales in all 12 months of the year because they (a) did not have any sales in certain months despite being in operation, (b) allocated sales to other Restore Franchises owned by the same Franchise Ownership Group (for example, if a Franchise Ownership Group owned five Restore Franchises, they allocated all sales in a month to one of the five Restore Franchises), (c) failed to timely report sales in a given month, or (d) temporarily suspended operations for certain months for personal or other reasons.

This Item 19 does not include data related to (i) company-owned units (there were not any that operated in Fiscal Year 2024) ~~and~~, (ii) SRM Licenses, and (iii) Franchise Operating Groups that did not have at least one Active Franchise operating throughout all of Fiscal Year 2024 because (a) they did not have any Restore Franchises that reported Gross Service Sales for at least six months of Fiscal Year 2024, (b) they transferred ownership of all of their franchises in Fiscal Year 2024, (c) they opened their first franchise during Fiscal Year 2024, or (d) they ceased operating all of their franchises in Fiscal Year 2024.

In the tables below, we have presented Gross Service Sales data for Single-Franchise Ownership Groups with one Active Franchise operating throughout Fiscal Year 2024 and for all Franchise Ownership Groups that had any Active Franchises operating throughout Fiscal Year 2024.

TABLE 1:
GROSS SERVICE SALES BY QUARTILES
SINGLE-FRANCHISE OWNERSHIP GROUPS
WITH ONE ACTIVE FRANCHISE
FOR FISCAL YEAR 2024

Quartiles	Number of Single-FOGs	Average Gross Service Sales	Number and Percentage of Single-FOGs Attaining or Exceeding Average Gross Service Sales	Median Gross Service Sales	Lowest Gross Service Sales	Highest Gross Service Sales
Top Quartile	32	$2,585,329	10 / 31.3%	$2,068,591	$1,194,252	$7,513,212
2nd Quartile	32	$770,306	11 / 34.4%	$723,120	$525,619	$1,191,066
3rd Quartile	32	$346,893	15 / 46.9%	$333,714	$190,851	$524,762
Bottom Quartile	32	$77,706	16 / 50.0%	$76,348	$4,158	$152,773
Total	128	$945,058	40 / 31.3%	$525,191	$4,158	$7,513,212

Notes to Table 1:

1. As of December 31, 2024, there were 490 Franchise Ownership Groups that owned 1,939 Restore Franchises. Of those 490 Franchise Ownership Groups, there were 147 Single-Franchise Ownership Groups. Of those 147 Single-Franchise Franchise Ownership Groups, 128 Single-Franchise Ownership Groups had one Active Franchise throughout Fiscal Year 2024 and are represented in this table. This table does not include (i) 6 Single-Franchise Ownership Groups that operated throughout Fiscal Year 2024 but failed to report revenue in all 12 months, (ii) 6 Single-Franchise Ownership Groups that transferred ownership of their franchise in Fiscal Year 2024, and (iii) 7 Single-Franchise Ownership Group that opened their franchise during Fiscal Year 2024. This table also does not include 9 Single-Franchise Ownership Groups that ceased operating its Restore Franchise in Fiscal Year 2024 (no Single-Franchise Ownership Groups opened their franchises within the 12 months prior to the date such franchises closed).

2. The 128 Single-Franchise Ownership Groups represented in this table include 70 Disaster Restoration Licenses and 58 Former Licenses (including three small market licenses and 55 on-location licenses). As described in Note 3 in the Notes to Table 19 below, we believe that these Former Licenses are substantially similar to the Disaster Restoration Licenses that we offer to new franchisees.

TABLE 2:
GROSS SERVICE SALES BY QUARTILES
ALL FRANCHISE OWNERSHIP GROUPS
WITH AT LEAST ONE ACTIVE FRANCHISE
FOR FISCAL YEAR 2024

	Top Quartile	2nd Quartile	3rd Quartile	Bottom Quartile	Total
# of FOGs	114	113	114	113	454
# of Active Franchises	~~859~~849	377	300	200	~~1,736~~1,726
Average # of Active Franchises	~~7.54~~7.45	3.34	2.63	1.77	~~3.82~~3.80
# and % of FOGs at or above Average # of Active Franchises	33 / 28.9%	45 / 39.8%	47 / 41.2%	42 / 37.2%	155 / 34.1%
Median # of Active Franchises	5	3	2	1	3
Lowest # of Active Franchises	1	1	1	1	1
Highest # of Active Franchises	~~91~~88	14	14	8	~~91~~88
Average Gross Service Sales	$~~8,151,999~~7,674,101	$1,950,638	$913,751	$261,003	$~~2,826,896~~2,706,896
# and % of FOGs at or above Average Gross Sales	~~30~~32 / ~~26.3~~28.1%	49 / 43.4%	58 / 50.9%	55 / 48.7%	~~115~~123 / ~~25.3~~27.1%
Median Gross Service Sales	$5,479,400	$1,854,156	$922,732	$253,957	$1,261,049
Lowest Gross Service Sales	$2,855,475	$1,263,356	$586,908	$4,158	$4,158
Highest Gross Service Sales	$~~73,939,218~~66,781,100	$2,846,217	$1,258,742	$574,613	$~~73,939,218~~66,781,100

Notes to Table 2:

1. The data in Table 2 discloses the performance of Franchise Ownership Groups that operated one or more Active Franchises throughout Fiscal Year 2024. We have also included data about the

number of Active Franchises operated by the Franchise Ownership Groups in each quartile. The table includes data from (a) 128 Single-Franchise Ownership Groups that operated one Active Franchise in a single territory (which are the Active Franchises represented in Table 1) and (b) 326 Multi-Franchise Ownership Groups that operated (i) multiple types of SM Licenses (e.g., Disaster Restoration Licenses and Former Licenses) that offer similar or identical services in one territory, (ii) one type of SM License (e.g., a Disaster Restoration License) in multiple territories, or (iii) multiple types of SM Licenses in multiple territories. As explained in Note 4 in the Notes to Item 19 below, Restore Franchises are typically operated as a single Franchise Ownership Group business and report aggregated revenue by Franchise Ownership Group, rather than by territory or franchise type.

2. As of December 31, 2024, there were 490 Franchise Ownership Groups. Of those 490 Franchise Ownership Groups, 454 Franchise Ownership Groups had at least one Active Franchise throughout Fiscal Year 2024 and are represented in this table. This table does not include (i) 17 Franchise Ownership Groups that operated throughout Fiscal Year 2024 but failed to report revenue in all 12 months, (ii) 13 Franchise Ownership Groups that transferred ownership of all of their franchises in Fiscal Year 2024, and (iii) six Franchise Ownership Groups that opened their first franchise during Fiscal Year 2024. This table also does not include 13 Franchise Ownership Groups that ceased operating all of their franchises in Fiscal Year 2024 (one of which opened their franchises within the 12 months prior to closing it).

3. As of December 31, 2024, the 454 Franchise Ownership Groups that are represented in this table owned ~~1,736~~1,726 Active Franchises throughout all of Fiscal Year 2024 (out of 1,939 total Restore Franchises that were in operation as of December 31, 2024). Thus, ~~203~~213 Restore Franchises are not represented in the data in this table, including (i) 83 Restore Franchises that operated throughout Fiscal Year 2024 but failed to report revenue in all 12 months, (ii) 73 Restore Franchises that transferred ownership in Fiscal Year 2024, ~~and~~ (iii) 47 Restore Franchises that opened during Fiscal Year 2024, and (iv) 10 Restore Franchises that operated under an SRM License. This table also does not include data from 67 Restore Franchises that ceased operating their franchises in Fiscal Year 2024 (one of which opened its franchise within the 12 months prior to the date such franchise closed).

4. The ~~1,736~~1,726 Active Franchises operated by the 454 Franchise Ownership Groups represented in this table include 990 Disaster Restoration Licenses~~, 10 SRM Licenses,~~ and 736 Former Licenses (including 79 small market licenses, 29 floor care licenses, 572 on-location licenses, 49 residential licenses, and 7 window and carpet licenses). As described in Note 3 in the Notes to Table 19 below, we believe that these Restore Franchises are substantially similar to the Disaster Restoration Franchise that we offer to new franchisees.

5. If a Franchise Ownership Group owned multiple Restore Franchises in Fiscal Year 2024, but some were not Active Franchises throughout all of Fiscal Year 2024, only the revenue from the Restore Franchises that were Active Franchises throughout all of Fiscal Year 2024 have been included in this table.

6. Out of the 454 Franchise Operating Groups included in the table, 128 Franchise Operating Groups owned one Restore Franchise, 153 owned two to three Restore Franchises, 91 owned four to five Restore Franchises, 64 owned six to 12 Restore Franchises, 13 owned 13 to 26 Restore Franchises, two owns 32 Restore Franchises, one owns ~~35~~34 Restore Franchises, one owns 49 Restore Franchises, and one owns ~~91~~88 Restore Franchises.

NOTES TO ITEM 19:

1. **Some franchises have sold or earned this amount. Your individual results may differ. There is no assurance that you'll sell or earn as much.**

2. **"Gross Service Sales"** means **(X)** all charges and/or revenues which are billed, received, or earned by you, your affiliates, your owners, any related parties (including your officers and family members), and/or your subcontractors:

   A. by, at, or in connection with the Restore Franchise or the use of any of the Marks;

   B. relating to the kinds of goods or services available now or in the future through the Restore Franchise and/or distributed in association with the Marks or the licensed system of operations;

   C. relating to the operation of any similar businesses (that offers, is otherwise involved in, or deals with goods and services similar to those offered by Restore Franchises);

   D. with respect to any co-branding activities (including goods or services provided under, or in conjunction with, a mark other than the Marks); and/or

   E. with respect to any other revenues of any kind received from third parties related to the operation of the Restore Franchise, including any revenue received from us or our affiliates (such as revenue we or our affiliates collect directly from customers that is related to work performed by you) or from vendors (such as rebates or referral fees); **less**

   (Y) any approved adjustments that may be deducted in accordance with the royalty remittance policy in the Manual, as such policy may be revised from time to time. Currently, approved deductions include (i) bad debt, (ii) coupons, (iii) certain subcontracted services, including abrasive blasting, anthrax or hazardous biological or chemical substance removal, asbestos abatement and removal, core services provided outside of the Territory, biological/chemical testing, specialty blind cleaning requiring special equipment, board-ups, carpentry, carpet installation, clearance testing, certain construction work, debris removal/hauling, large desiccants or drying services, certain demolition/removal services that require special skills, drapery cleaning, driveway blacktop maintenance, off-site dry cleaning, duct cleaning, electrical work, internal electronics cleaning, fire prevention material application, moving services, marble floor grinding, hazmat abatement and disposal, high-rise window cleaning, ice removal, industrial equipment cleaning that requires special equipment, lab analysis of samples, laundry cleaning, lawn maintenance, leather and plastic refinishing, general maintenance services, media blasting, microbial testing/sampling, ~~packout and storage services,~~ painting, plumbing, storage PODs, written remediation protocols, ride-on scrubbers, roof cleaning, specialty rug cleaning, security services, snow removal, soda blasting, specialty carpet cleaning, tree removal, and wood finishing, (iv) dumpster services and fuel provided at job sites, (v) equipment rented from other franchisees, (vi) rental equipment, provided it is not offered by us for purchase, including large desiccants, floor strippers, mat rental, port-a-potties, scaffolding, and scissor lifts, (vii) off-site storage and on-site storage PODs, (viii) paper products requested by and separately billed to customer, (ix) certain permits, (x) referral fees paid to other franchisees, (xi) sales tax, and (xii) car rentals for certain projects. Unless otherwise specified in the Manual or by us in writing, Gross Service Sales includes all revenue at the time billed and must be reported monthly on an accrual basis in the month the work was billed to the customer, regardless of when and if such revenue is collected by you. Unless otherwise specified in the Manual, any expenses related to goods or services provided to you or customers by any parties related to

State	Franchise Agreement Signed but Outlet Not Open	Projected New Franchised Outlets in the Next Fiscal Year	Projected Company-Owned Outlets in the Next Fiscal Year
Alabama	0	1	0
Arizona	1	1	0
California	3	5	0
Colorado	2	2	0
Georgia	0	2	0
Florida	1	3	0
Hawaii	0	1	0
Illinois	3	3	0
Kansas	0	1	0
Louisiana	1	1	0
Maine	0	1	0
Massachusetts	2	2	0
Michigan	0	2	0
Nevada	0	1	0
New Mexico	0	1	0
New York	0	2	0
Pennsylvania	0	1	0
Tennessee	0	1	0
Texas	0	3	0
Total	**12**	**34**	**0**

For all charts presented in this Item 20, states not listed in a chart had no franchised, company-owned or affiliate-owned Restore Franchises or activity during the relevant period.

CURRENT AND FORMER FRANCHISEES

The name, business address, and business telephone number of each current franchisee as of December 31, 2024, is attached to this Disclosure Document as Exhibit D. The name, last known address, and telephone number of every franchisee who has had a franchise terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recent fiscal year or has not communicated with us or our affiliates within 10 weeks of the issuance date of this ~~Franchise~~ Disclosure Document, is attached as Exhibit E. Please note, if you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

We are not currently offering and do not anticipate offering any existing franchised outlets to prospective franchisees, including those that either have been reacquired by us or are still being operated by current franchisees pending a transfer. In the event that we begin to offer any such outlet, specific information about the outlet will be provided to you in a separate Addendum to this Disclosure Document.

Agreement	Exhibit
Electronic Funds Transfer Authorization Form	A-1 – Exh. C
Personal Guaranty	A-1 – Exh. D
Distributor PAR Agreement	A-2
State-Specific Addenda to the Franchise Agreement	F
~~Estimating and Pricing~~Xactware Software End User License Agreement ~~(for Xactware)~~	G-1
Restore 365 Plus Software License Agreement~~ (for Restore360)~~	G-2
Construction Services Amendment	I
Conversion Franchise – Construction Royalty Fee Conversion Rider	J-1
Conversion Franchise – Core Service Ramp-up	J-2

ITEM 23: RECEIPTS

Two copies of an acknowledgement of your receipt of this Disclosure Document are included at the end of this Disclosure Document (Exhibit K). You should keep one copy for your file and return the second copy to us.

SERVICEMASTER RESTORE® FRANCHISE AGREEMENT

THIS SERVICEMASTER RESTORE® FRANCHISE AGREEMENT (this "**Agreement**") is made and entered into as of __________________ (the "**Effective Date**") between SERVICEMASTER CLEAN/RESTORE SPE LLC, a Delaware limited liability company with its principal place of business located at One Glenlake Parkway, 14th Floor, Atlanta, Georgia 30328 ("**Franchisor**") and ___________________________________, a ____________________ ("**Franchisee**") doing business as _________________.

RECITALS:

WHEREAS, Franchisor, as the result of the investment of significant time, skill, effort and money, has developed a program, method and system (the "**System**") for providing certain services. The distinguishing characteristics of the System include, without limitation, Standards and specifications for products, equipment and processes; and methods and techniques for inventory and cost controls, record keeping and reporting, sales, promotion, and advertising; all of which may be changed, improved and further developed by Franchisor from time to time and disseminated to Franchisee in the Manual (as defined in Section 7.1 (Compliance with the Manual)), or otherwise in writing;

WHEREAS, Franchisor has the right in connection with the System to sublicense the right to use certain Marks as are now designated in Exhibit A and may be designated by Franchisor in the Manual or otherwise in writing as part of the System, and Franchisor continues to develop and use the Marks for the benefit of itself and its respective franchisees in order for the public to identify the source of goods and services marketed under the System and to represent the System's high standards of quality and service;

WHEREAS, in the course of operations under the System, Franchisor has developed for licensing to franchisees the following separate categories of ServiceMaster Restore® licenses (collectively, with any other such licenses specified by Franchisor from time to time, the "**SM Licenses**"):

(1) Disaster Restoration Services
(2) Recovery Management Services (renewal or transfer only)~~.~~
(3) Supplemental Services License (renewal or transfer only).

The ServiceMaster Restore® license being licensed to Franchisee pursuant to this Agreement is set forth and more fully described in Section 1 of **Exhibit A**, which is attached to and made a part of this Agreement (the "**License**");

WHEREAS, a business that is primarily identified by the ServiceMaster Restore® Marks and that operates under the System is referred to in this Agreement as a "**System Business**;"

WHEREAS, Franchisee desires to operate a System Business and desires to obtain a non-exclusive license from Franchisor to use the License, the System, and the Marks, as well as to receive the training and other assistance provided by Franchisor in connection with the License and the System; and

WHEREAS, Franchisee understands and acknowledges the importance of Franchisor's high and uniform standards of quality and service and the necessity of performing services in conformity with Franchisor's standards and specifications for the License and the System.

NOW, THEREFORE, in consideration of the undertakings and commitments of each party to the other party set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby mutually agree as follows:

1. APPOINTMENT

1.1 Non-Exclusive Appointment; Territory. Franchisor hereby grants to Franchisee, and Franchisee hereby undertakes the obligation, upon the terms and conditions contained in this Agreement, a non-exclusive right and license to use the System solely to operate a System Business that offers and provides the services specified in the License (the "**Franchised Business**") within the territory described in **Exhibit A** (the "**Territory**"). Franchisee shall market to and solicit customers within the Territory; however, Franchisee may perform services for a customer outside the Territory if the customer initiates the request or a Territory Account (as defined in Section 1.4.1 (Territory Accounts)) requires services to be provided to locations located outside of the Territory. Franchisee may market and solicit outside the Territory only when marketing to a company whose office is physically located outside the Territory, but whose customers are located within the Territory; or when marketing authorized services to a property manager, group, or company whose office is located outside the Territory, but whose commercial facility is within the Territory. Franchisee will operate the Franchised Business within the Territory from one or more office locations approved by Franchisor. Franchisee must obtain Franchisor's written approval for each office location (including any relocations of any office) prior to entering into a lease for such location and at least 30 days prior to opening such office.

1.2 License Granted. Franchisee expressly acknowledges and agrees that this License relates solely to the Territory and solely to the type of SM License specified in Exhibit A and does not grant Franchisee any rights under any other SM Licenses offered or supported by Franchisor. The SM Licenses set forth in the recitals, as well as any other licenses that may be developed, offered, or supported by Franchisor from time to time as specified in the Manual (which are considered part of the SM Licenses), are specifically excluded if not identified in Exhibit A. Also excluded are other licenses, programs, or concepts performed under the Marks by Franchisor and its Affiliates including management services programs and such other programs or concepts as may be developed or acquired by Franchisor in the future. Franchisee understands and agrees that System Businesses operating under other types of SM License may utilize the same System and Manual that is used by the Franchised Business under the License, but some components or requirements of the System or Manual may be specific to, or not applicable to, the License granted to Franchisee.

1.3 No Territorial Protection. Franchisee acknowledges and agrees that (a) Franchisor and its Affiliates retain all rights not expressly granted to Franchisee under this Agreement; and (b) Franchisor or its Affiliates may conduct, or grant others the right to conduct, any business activities, under any name or trademark, using any system of operations, in any geographic area, and at any location, regardless of the proximity to or effect of such activities on the Franchised Business. For example, Franchisor or its Affiliates may, among other things, on any terms and conditions Franchisor and its Affiliates deem advisable: (i) operate, and grant to others the right to operate, anywhere (including inside and outside the Territory) ServiceMaster® businesses, including System Businesses operating under any SM License and any other ServiceMaster Clean® or ServiceMaster Restore® businesses; (ii) operate, and grant to others the right to operate, anywhere (including inside and outside the Territory) any retail or other businesses, including those offering the same, similar, or different products or services using the System or elements of the System under the Marks or any other trademarks, service marks or trade dress; (iii) solicit and sell any products or services to customers and prospective customers residing anywhere (including inside and outside the Territory), including by direct advertising over the Internet or other electronic means; and (iv) merge with, acquire, establish or become associated with any businesses or locations of any kind under other systems and/or other trademarks, which businesses and locations may offer or sell items, products and services that are the same as or similar to the services and products offered at or from the Franchised Business and which may be located anywhere (including inside and outside the Territory).

1.4 Accounts and Agreements.

1.4.1 Territory Accounts. Franchisee may enter into agreements to provide services to customers that it is authorized to serve, as provided in Section 1.1 (Non-Exclusive Appointment; Territory) ("**Territory Accounts**"). For all agreements with Territory Accounts, Franchisor may require Franchisee to (a) use a customer agreement form that it has approved or (b) include certain mandatory terms in a Franchisee-created customer agreement. Franchisee must provide Franchisor with copies of all agreements with Territory Accounts upon Franchisor's request. If a Territory Account requires services to be provided to locations located outside of the Territory, Franchisee (i) may provide such services directly to the Territory Account, regardless of where the services are provided, (ii) may coordinate with other System Businesses for such businesses to provide the services to the Territory Account (in which case Franchisee and such other System Business shall negotiate a split of revenue and coordinate the payment of such revenue), or (iii) may request Franchisor to refer such lead to another System Business in accordance with Section 3.9 (Account Management Services).

1.4.2 National Accounts. Franchisor or its Affiliates may enter into agreements with local, regional, or national customers, insurance carriers, or other referral sources ("**National Accounts**"). Franchisor may, in its sole discretion, refer leads generated from National Accounts to System Businesses that participate in Optional Programs (as defined in Section 5.16.1 (Participation in Optional Programs)). Franchisee may not enter into agreements with or market to National Accounts, unless we agree otherwise in writing.

2. TERM AND RENEWAL

2.1 Term of Agreement. Except as otherwise provided in this Agreement, the initial term of this Agreement shall commence on the Effective Date and end five years from the Effective Date (the "**Term**").

2.2 Renewal.

2.2.1 Renewal Term. Franchisee may elect to renew Franchisee's right to operate the Franchised Business for one additional five-year term, if Franchisee, in Franchisor's sole discretion, satisfies the renewal conditions set forth in Section 2.2.2 (Renewal Conditions).

2.2.2 Renewal Conditions. Franchisee must satisfy the following conditions in order to be eligible for, and as a condition for entering into, a renewal term:

2.2.2.1. Franchisee must provide written notice of its election to enter into a renewal term not less than six months, nor more than nine months, prior to the end of the Term;

2.2.2.2. Franchisee, its Affiliates, and its Owners must be in Good Standing (as defined in Section 28 (Definitions)) at the time Franchisee requests renewal and through the ending date of the then-current term and must have complied during the Term with the terms and conditions of this Agreement and Related Agreements (as defined in Section 28);

2.2.2.3. Franchisee is not in default under any loan agreement or lease related to the Franchised Business;

2.2.2.4. Franchisee must be then meeting or exceeding the Minimum Monthly Sales Requirement and must not have failed to meet the Minimum Monthly Sales Requirement (as outlined in Section 5.17 (Minimum Monthly Sales Requirement)) two or more times during the last 18 months of the Term;

2.2.2.5. Franchisee has not, in Franchisor's sole discretion, (i) failed to use and cooperate in the use of operating systems and tools provided by Franchisor to improve the Franchised Business and/or the franchise system as a whole; (ii) failed to regularly attend and actively participate in conference calls, meetings, conventions, and other events sponsored or suggested by Franchisor to increase the chance of success and/or maximize the performance of the Franchised Business and/or the franchise system as a whole; (iii) failed to implement new programs and business building initiatives developed for the enhancement of the performance of the Franchised Business; (iv) regularly acted in a combative, inappropriate, or confrontational manner with Franchisor, vendors, customers, or other franchisees; or (v) had an excessive number of customer complaints and/or has not acted reasonably and in the best interests of the franchise system in resolving customer complaints;

2.2.2.6. Franchisee, throughout the term of this Agreement, has satisfied all material reporting requirements and all monetary obligations to Franchisor and any Affiliates of Franchisor, suppliers and creditors (excepting reasonable disputes that Franchisee is attempting in good faith to resolve) within the amount of time specified for satisfaction or cure of default with respect to such obligation.

2.2.2.7. Franchisee meets Franchisor's then-current requirements for franchisees qualifying to become franchisees in the network and demonstrates that (a) it, Controlling Owner, and its Guarantors (as defined in Section 5.5.1 (Corporate Franchisee)) are not insolvent (meaning that it and they can meet all of their obligations as they come due and have not sold, pledged, transferred, or assigned any future proceeds or receivables under this Agreement to a creditor) and (b) it has the financial ability to continue to invest in and grow the Franchised Business and the brand in the Territory;

2.2.2.8. Franchisee must prepare a business plan (containing the information and in the format specified by Franchisor) for the Franchised Business for the renewal term and obtain Franchisor's written approval of such business plan;

2.2.2.9. Franchisee and its trainees satisfactorily complete all additional training Franchisor requires at that time, at Franchisee's expense;

2.2.2.10. Franchisee must execute Franchisor's then-current Franchise Agreement which shall supersede this Agreement when accepted and executed by Franchisor (a "**Renewal Franchise Agreement**") and which may contain terms and conditions different from those set forth in this Agreement, including different or increased fees, a different Territory or territorial rights, or different authorized services. Franchisor may change the Territory granted in the Renewal Franchise Agreement to comply with Franchisor's then-current manner of designating Territories, to correct overlapping territories or other issues, and for other valid business reasons, including an assessment of Franchisee's performance;

2.2.2.11. Franchisee and its Owners must execute a general release (in a form then prescribed by Franchisor, which shall be substantially similar to the form attached hereto as Exhibit B, which is incorporated by reference into this Agreement) of any claims against Franchisor and its Affiliates, and their respective owners, officers, directors, managers, agents, representatives, employees, successors, and assigns (a "**General Release**");

2.2.2.12. Franchisee shall pay a renewal fee in the amount specified in Exhibit A; and

2.2.2.13. Franchisee meets any additional conditions reasonably specified by Franchisor.

2.2.3 Non-renewal. If either (a) Franchisee provides written notice between six and nine months prior to the end of either the Term that Franchisee does not intend to enter into a renewal term, (b) Franchisor determines, in its sole discretion, that Franchisee cannot satisfy the renewal conditions and provides Franchisee with a notice of non-renewal (the "**Non-Renewal Notice**"), or (c) Franchisee does not have any remaining renewal terms, this Agreement will automatically expire on the last day of the Term.

2.2.4 Temporary Extension. If Franchisee fails to execute the Renewal Franchise Agreement and General Release and complete the renewal process by the expiration of the then-current term and Franchisee continues operating the Franchised Business, then, unless Franchisor has provided Franchisee with a Non-Renewal Notice, the term shall continue on a month-to-month basis provided, however, that Franchisor shall have the right at any time to terminate this Agreement upon its issuance of a written Notice of Termination (the "**Termination Notice**") to Franchisee, which termination shall be effective immediately upon Franchisee's receipt of, or refusal to accept, such Termination Notice (or on the termination date specified in the Termination Notice, if different). If Franchisee fails to fully and completely execute the Renewal Franchise Agreement and General Release and complete the renewal process within 60 days of the commencement of the temporary extension, then, effective immediately thereafter, the monthly Royalties payable under Section 4.1.2 (Royalties) shall increase by an amount equal to 2.5% of Gross Service Sales (as referenced in Section 4.1.3 (Gross Service Sales) and defined in Section 28 (Definitions)) and such higher Royalties shall apply during each ~~week that Franchisee fails to complete the renewal process~~month until (i) the renewal process is completed (including execution of the Renewal Franchise Agreement and General Release and payment of the renewal fee) or (ii) this Agreement is terminated. By accepting any increased Royalties, Franchisor does not waive any of its rights and remedies under this Agreement including, without limitation, the right to terminate this Agreement pursuant to its terms and all such rights and remedies shall be cumulative of every other right or remedy.

3. DUTIES OF FRANCHISOR

3.1 Training.

3.1.1 Initial AOS Training. Unless otherwise specified in Exhibit A, Franchisor shall provide to the Designated Trainees Franchisor's then-current initial training program, which is referred to as the ServiceMaster Academy of Service ("**AOS Training**") at no additional cost. The "**Designated Trainees**" include up to two trainees, which may include Franchisee (if Franchisee is not an entity), Owners, or, if approved by Franchisor, Franchisee's managers. AOS Training may consist of independent study, classroom training, and/or on-the-job training and may be conducted at the times and in the manner designated by Franchisor including all or in part being held virtually (via recorded media, teleconference, videoconference, webinar, or other means that Franchisor designates) or in person at locations designated by Franchisor. Franchisor shall give Franchisee access, via a confidential password, to Franchisor's learning management system, ServiceMaster Brands University ("**SMBU**"), to access various training modules. Fourteen days prior to attending AOS Training, Franchisee is required to complete the initial coursework detailed within various training modules contained within SMBU. In addition, Franchisor will also provide AOS Training to any replacements of the Designated Trainees (including any subsequent Owners or managers). Franchisor reserves the right to charge a training fee for AOS Training, which will not exceed $8,110 per trainee per program, that it designates from time to time for (i) each person in excess of two trainees, (ii) each person who is repeating the course or replacing a person who did not pass, and (iii) each subsequent Owner or manager who attends the course.

3.1.2 Additional Training. Franchisor shall make available such other training programs to Franchisee, or its managers or other employees, as Franchisor deems appropriate. Franchisor may charge Franchisee a reasonable training fee for such additional training programs, which will not exceed $4,000 per trainee per program. All training provided by Franchisor shall be subject to the terms set forth in Section 5.1 (Training) of this Agreement.

3.2 Advisory Assistance. Franchisor shall, upon such terms as it deems advisable, provide continuing advisory assistance in person, virtually (by videoconference, webinar, recorded media, or other means that Franchisor designates), by telephone or in writing on the operation of the Franchised Business.

3.3 Research and Development. Franchisor shall perform continuing research and shall, at its discretion, provide to Franchisee the benefits of such research and development which fall within the scope of the services to be rendered by Franchisee under the License pursuant to this Agreement.

3.4 Service Connection and the Manual; Software. Franchisor shall give to Franchisee access, via a confidential password, to Franchisor's intranet site (referred to as "**Service Connection**") to access the Manual, as more fully described in Section 7.1 (Compliance with the Manual) of this Agreement. If Franchisor requires Franchisee to use any proprietary software, Franchisor shall provide Franchisee with the opportunity to obtain such software from Franchisor, its Affiliates, or a designated vendor, subject to the requirements set forth in Section 5.18 (Required Hardware and Software) of this Agreement.

3.5 Inspections. Franchisor shall continue its efforts to maintain the high standards of quality and service of the System and to that end shall conduct, as and when it deems advisable, inspections, observations and monitoring of the Franchised Business and evaluations of the services provided by the Franchised Business, including the use of mystery calls, phone screen and test operation/sales scripts of personnel at the Franchised Business, by Franchisor to Franchisee. Franchisor will utilize these inspections for, among other things, the purpose of evaluating the "Quality Assured" status of the Franchised Business. Without limiting Franchisor's other rights and remedies under this Agreement, if an inspection reveals that the Franchised Business fails to meet Franchisor's requirements for maintaining the designation as a "Quality Assured" Franchised Business, Franchisee will have 90 days within which to correct, at its own expense, the deficiencies specified by Franchisor and to take the actions necessary to meet Franchisor's Quality Assured requirements. Franchisor then may conduct one or more follow-up inspections to confirm that Franchisee has corrected these deficiencies and otherwise is complying with this Agreement and all its standards and specifications. The failure of Franchisee to meet these requirements within such 90-day period and to pass the Quality Assured inspection when the Franchised Business is re-inspected by Franchisor shall constitute grounds for the termination of this Agreement by Franchisor. If Franchisor exercises any of these inspection rights, Franchisor will use commercially reasonable efforts not to interfere unreasonably with the operation of the Franchised Business. Additionally, for any follow-up inspection, Franchisor may charge Franchisee a fee equal to $500 per representative per day, plus Franchisor and its Affiliates' actual costs and expenses.

3.6 Sale of Products. Franchisor or its Affiliates shall sell to Franchisee materials, supplies, equipment, products, forms, promotional materials, and printed materials approved by Franchisor, as Franchisee, in its discretion, may from time to time desire to order from Franchisor or its Affiliates. Franchisee shall purchase approved products and materials or comply with Franchisor's then-current approval process as described in Section 5.3 (Approved Goods and Approved Suppliers) and in the Manual from time to time.

3.7 Violations by Other Franchisees. In connection with Franchisor's duties under this Agreement, Franchisee understands and agrees that Franchisor shall not be responsible to Franchisee for violations by another franchisee of Franchisor of any agreement between Franchisor and such other franchisee.

3.8 Franchise Council. Franchisor shall convene the National Franchise Council (the "**Franchise Council**") no less than twice each calendar year. The Franchise Council shall be made up of Franchisees in Good Standing under their ServiceMaster Franchise Agreements. The Chairman and members shall be appointed by the then-current members of the Franchise Council, with Franchisor only able to reject such appointments because of the proposed appointee's lack of Good Standing under its Franchise Agreement. The Franchise Council shall serve in an advisory role with no power to override Franchisor's operation of the System or to veto any action by Franchisor.

3.9 Account Management Services. Franchisor may, in its sole discretion, offer account management services (“**Branch 44 Services**”) to Franchisee, if Franchisee requests such optional services. The Branch 44 Services include (a) managing communications with a Territory Account, (b) referring leads related to Territory Accounts to System Businesses, (c) coordinating the completion of such jobs, (d) providing customer service support for such jobs, and (e) preparing invoices for, and collecting and distributing revenue from, such jobs. If Franchisor provides Branch 44 Services to a particular Territory Account of Franchisee, Franchisor will collect a Referral Fee (as defined in Exhibit A) from the System Business that provides services to the Territory Account (including any System Businesses operated by Franchisor or its Affiliates) and will retain 50% of the Referral Fee collected from such System Business as consideration for the Branch 44 Services and distribute the remaining 50% of the collected Referral Fee to Franchisee as consideration for sharing the lead with such other System Business. Franchisor will distribute the remainder of the revenue generated from such a job to the System Business that provides the services to the Territory Account. Franchisor will not be obligated to provide Branch 44 Services to Franchisee and may, in its sole discretion, refuse to provide Branch 44 Services to a particular Territory Account or for a particular job. If Franchisor provides the Branch 44 Services to Franchisee, Franchisor will not be liable to Franchisee or any third party for, and Franchisee shall indemnify the Franchisor Indemnitees (as defined in Section 17.3 (Indemnification)) for, (i) the acts or omissions of any System Businesses related to a Territory Account, (ii) the loss of any Territory Accounts or any reduction of leads or revenue from any Territory Accounts, (iii) any claims asserted by Territory Accounts, System Businesses, or other third parties related to providing services to such Territory Accounts, and/or (iv) any failure to collect monies owed from any Territory Accounts.

4. FEES

4.1 Fees Payable by Franchisee. In consideration of the license granted in this Agreement, Franchisee shall pay to Franchisor the following fees:

4.1.1 Initial License Fee. Upon submission of this Agreement for execution by Franchisor, Franchisee shall pay to Franchisor the Initial License Fee set forth in Exhibit A. Upon the execution of this Agreement by Franchisor, the Initial License Fee shall be deemed fully earned and non-refundable.

4.1.2 Royalties. Franchisee shall pay to Franchisor continuing monthly royalties during the term of this Agreement in an amount specified in Exhibit A on all types of services sold under the Marks by Franchisee or its employees in accordance with Franchisor’s then-current royalty policy as set forth in the Manual (“**Royalties**”). The Royalties are paid in consideration of the license to use the System and Marks.

4.1.3 Gross Service Sales. “**Gross Service Sales**” is defined in Section 28 (Definitions).

4.2 Marketing and Technology Fees.

4.2.1 Ad Fund Contribution. Franchisor has established an Ad Fund, as provided under Section 10.3 (Advertising Fund) of this Agreement. Franchisee shall pay into the Ad Fund, on a monthly basis, the amount specified in Exhibit A (the “**Ad Fund Contribution**”).

4.2.2 Technology Fees. Franchisor may require Franchisee to pay a monthly fee for various technology-related products and services (the “**Technology Fees**”). Franchisor will specify the Technology Fees and the related products and services in the Manual. Franchisor may increase the Technology Fees and change the related products and services from time to time, provided that the fee will not exceed 150% of Franchisor’s and its Affiliates’ costs and expenses related to developing, providing, licensing, maintaining, and/or procuring such products and services.

4.3 Other Fees.

4.3.1 Complaint Resolution Fee. If Franchisor, in its sole discretion, attempts to resolve any customer or third-party complaints or disputes relating to the Franchised Business in accordance with Section 5.4.3 (Franchisor Intervention) of this Agreement, Franchisee must pay Franchisor the sum of $500 (which may be increased by Franchisor, provided that it will not exceed $750) plus any costs and expenses that Franchisor and its Affiliates incur resolving or attempting to resolve such complaint (the "**Complaint Resolution Fee**").

4.3.2 Insurance Procurement Fee. If Franchisee fails to obtain required insurance and Franchisor, in its sole discretion, procures insurance coverage on Franchisee's behalf, Franchisee must pay Franchisor up to 150% of any costs and expenses that Franchisor and its Affiliates incur procuring such insurance (the "**Insurance Procurement Fee**").

4.3.3 Transfer Fee. If a Control Transfer occurs, Franchisee must pay Franchisor a transfer fee (the "**Transfer Fee**"). The Transfer Fee shall be equal to ~~(i) $12,000, except the Transfer Fee shall be (a) $3,500 if the Transfer is to an Owner's child who is at least 18 years of age or to an approved manager of the Franchised Business for at least five years that is current on all Franchisor-required training and certifications, (b) $500 if the Transfer is to an existing Owner, and (c) $500 if the Transfer is to a spouse of an existing Owner; plus (ii) Franchisor's and its Affiliates' costs and expenses incurred in connection with the Transfer, including attorneys' fees.~~the amount specified in Exhibit A.

4.3.4 Change Fee. When (a) notifying Franchisor of a Non-Control Transfer, including adding, deleting, or changing an Owner's name; (b) changing Franchisee's entity name; (c) changing Franchisee's DBA (doing business as) name; (d) changing Franchisee's form of entity; or (e) making any mutually agreed modifications to this Agreement, Franchisee must pay to Franchisor the then-current change fee (currently, $500 per change), as specified in the Manual from time to time (the "**Change Fee**"). The Change Fee may be increased from to time, provided that it will not exceed $750. For Non-Control Transfers, the Change Fee will be charged per person, per transfer, and per franchise agreement. There is no charge to change Franchisee's DBA name or form of entity during the first year of operation of the Franchised Business. If any changes are being made in conjunction with a Control Transfer, the Transfer Fee shall apply, instead of the Change Fee.

4.3.5 Non-Compliance Fee. If Franchisor determines that Franchisee has violated any of its obligations under this Agreement, including any failure to comply with any standards set forth in the Manual, including the Standards, in addition to any other remedies Franchisor may be entitled to, Franchisor reserves the right to charge Franchisee one or more non-compliance fees (each, a "**Non-Compliance Fee**") upon written notice to Franchisee. The Non-Compliance Fees (a) shall be $1,000 per single violation per day, unless otherwise specified in the Manual or otherwise in writing, (b) may be modified from time to time upon written notice to Franchisee, provided that it will not exceed $2,000 per single violation per day, (c) may be charged repeatedly (as frequently as daily) if the non-compliance is ongoing, and (d) may vary based on the severity of the violations, the number of violations, and whether the violations have been repeated.

4.3.6 Tax Reimbursements. Franchisee must pay Franchisor, or its Affiliate or designee, promptly when due, all sales taxes, use taxes, personal property taxes, and other taxes imposed upon Franchisor or its Affiliates or collected from Franchisor or its Affiliates on account of goods and services Franchisor or its Affiliates furnish to Franchisee through sale, lease, or otherwise, or on account of Franchisor's collection of the initial license fee or other fees, Royalties, or other payments required under this Agreement or any Related Agreement.

4.3.7 Lead Fee. If Franchisor refers a qualified lead to Franchisee or an existing Owner and such qualified lead purchases Franchisee's or such Owner's interests in this Agreement, Franchisee, or the Franchised Business within 18 months of Franchisor's referral of such lead, Franchisee shall pay Franchisor a lead fee equal to $10,000, which shall be in addition to any applicable Transfer Fee. A "**qualified lead**" is defined as someone who has passed Franchisor's screening process, national background check, a credit check, and a phone interview. Franchisor is not responsible for locating leads and does not represent that it will do so.

4.4 Due Dates and Reports. The Royalites, Ad Fund Contribution, and Technology Fees (collectively, the "**Operating Fees**") shall be paid to Franchisor, and any monthly reports required under Section 9.2 (Monthly Gross Service Sales Reports) of this Agreement shall be reported to Franchisor, by the days of each month specified by Franchisor in the Manual or otherwise in writing for the preceding calendar month. Franchisee will report monthly Gross Service Sales (as well as any fees due based on Gross Service Sales, such as Royalties and Ad Fund Contributions) via online reporting, or in any other manner as designated by Franchisor. Any payment or report not actually received by Franchisor on or before such date shall be deemed overdue.

4.5 Payment Method; Automatic Debit; Interest.

4.5.1 Payment Method. Franchisee must make all payments to Franchisor by the method or methods that Franchisor specifies from time to time in the Manual, which may include payment via wire transfer or electronic debit from Franchisee's bank account (the "**Account**"). Franchisee must furnish Franchisor and its bank with all authorizations necessary to effect payment by the specified methods and must take all steps necessary to ensure that such authorizations remain valid. Currently, Franchisee must make all payments due under this Agreement (including payments for products or services purchased from Franchisor or its Affiliates) by electronic debit from the Account, which Franchisor may initiate by auto draft. Franchisee must sign the electronic funds transfer authorization form that is attached as Exhibit C (and any subsequent form required by Franchisor from time to time) and deliver a copy of the authorization to Franchisor within five business days of its request. Franchisee must maintain sufficient funds in the Account to permit Franchisor to withdraw the Operating Fees and other amounts due from time to time. Franchisor's use of electronic funds transfers as a method of collecting amounts due does not constitute a waiver of any of Franchisee's obligations to provide Franchisor with sales reports as required in this Agreement, nor shall it be deemed a waiver of any of the rights and remedies available to Franchisor under this Agreement.

4.5.2 Automatic Debit. If Franchisee has not reported Gross Service Sales of the Franchised Business to Franchisor for any reporting period, Franchisor will be authorized to debit the Account in an amount equal to the greater of the non-reported payment (if Franchisor can reasonably estimate or determine the owed amount) or 120% of the average Operating Fees transferred from the Account in the previous 12 reporting periods in which a report of the Gross Service Sales of the Franchised Business was provided to Franchisor (or, if there have not been 12 such reporting periods, the number of reporting periods for which such report was received). If at any time Franchisor determines that Franchisee has under-reported the Gross Service Sales of the Franchised Business or underpaid Operating Fees due Franchisor under this Agreement, Franchisor will be authorized to immediately initiate a debit to the Account in the appropriate amount in accordance with the foregoing procedure, including interest as provided for in this Agreement. An overpayment will be credited to the Account through a credit effective as of the first reporting date after Franchisor and Franchisee determine that such credit is due.

4.5.3 Late Fees and Interest. If any payment is overdue, Franchisee must pay to Franchisor, on demand, interest, compounded daily, on all overdue payments from the date the payment was due until paid equal to the lesser of (i) 2% per month or (ii) the maximum rate of interest permitted by law. If any payment or sales report is overdue, Franchisee must also pay to Franchisor a late fee in the amount of (a) for the first four weeks after the due date, $200 for each week that such report or payment is late and (b) thereafter, $500 for each week that such report or payment is late. Franchisee acknowledges that this Section is not Franchisor's agreement to accept any payments after they are due and that any late payments are a default under this Agreement. The right to collect interest and late fees shall be in addition to any other remedies Franchisor may have. In addition, Franchisee agrees to pay any expense incurred by Franchisor, including costs, bank fees, and attorneys' fees, related to the collection of any fees or payments due under this Agreement.

4.6 Application of Payments. When Franchisor receives a payment from Franchisee, Franchisor has the right in its sole discretion to apply it as Franchisor sees fit to any past due indebtedness of Franchisee due to Franchisor or its Affiliates, whether for Royalties, Ad Fund Contributions, other Operating Fees, purchases, interest, or for any other reason, regardless of how Franchisee may designate a particular payment to be applied. In addition, Franchisor may offset any amount otherwise due to Franchisee, against any amount owed to Franchisor. Franchisor may, in its sole discretion, retain any amounts received for Franchisee's account (and/or that of any Affiliate of Franchisee), whether (i) rebates from suppliers, ~~national account or program work~~(ii) revenue from Optional Programs, (iii) payments~~, or~~ from customers, Territory Accounts, National Accounts, or insurance carriers, or (iv) otherwise, as (a) security for amounts owing to Franchisor in the next 90 days (upon Franchisor's reasonable believe of Franchisee's insolvency or financial mismanagement) or (b) payment against any amounts owed to Franchisor, including then-current Royalties and Ad Fund Contribution which accrue to Franchisor from such national account or program work payments. Franchisor can exercise any of the foregoing rights in connection with amounts owed to or from Franchisor and/or any of its Affiliates.

5. DUTIES OF FRANCHISEE

5.1 Training. At least one Designated Trainee must attend and successfully complete AOS Training to Franchisor's satisfaction (as determined by Franchisor in its sole discretion) (i) within the next three scheduled sessions of the AOS Training that take place after the Effective Date and (ii) prior to opening the Franchised Business. If the purchase of this License is in conjunction with the purchase of an additional SM License of a different type or another ServiceMaster Clean® or ServiceMaster Restore® franchise, the completion of all training required by Franchisor must occur within six months of the Designated Trainees first attending AOS Training. If Franchisee has two Designated Trainees, the Designated Trainees may split AOS Training, provided that one Designated Trainee successfully completes part of AOS Training and the other Designated Trainee successfully completes the remainder of AOS Training. Franchisee's representatives may not attend AOS Training until Franchisee confirms that such trainees are covered by its workers' compensation insurance. If the Designated Trainees do not successfully complete all required training for each SM License within the required time period, in addition to any other remedies Franchisor may exercise, Franchisee will pay Franchisor's then-current AOS Training fee when such Designated Trainees attend and complete AOS Training, which will not exceed $8,110 per trainee per program. If any individual originally trained by Franchisor is replaced by another individual, Franchisee agrees to have the replacement owner or manager attend and successfully complete AOS Training, at Franchisee's cost and expense, within the next three scheduled sessions of the AOS Training that take place after such replacement. Franchisee, its managers, or other employees, as designated by Franchisor, shall attend and complete to Franchisor's satisfaction, such other training programs as Franchisor may require in the Manual or otherwise in writing. All expenses incurred for any training including training fees (if applicable) and the cost of travel, room, board and wages, shall be paid by Franchisee.

5.2 Compliance with System. Franchisee shall operate the Franchised Business in conformity with the System, including the uniform methods, Standards and specifications as Franchisor may from time to time prescribe in the Manual or otherwise in writing to ensure that the highest degree of quality and service is uniformly maintained. Franchisee agrees:

5.2.1 To maintain in sufficient supply, and use at all times, only such vehicles, products, materials, equipment, supplies, computer software and paper goods that conform with Franchisor's Standards and specifications, and to refrain from deviating from Franchisor's Standards and specifications by using nonconforming items.

5.2.2 To sell or offer for sale only such services which meet Franchisor's uniform standards of quality and performance for the License as provided in the Manual or otherwise in writing by Franchisor; to sell or offer for sale all approved services; to refrain from any deviation from Franchisor's Standards and specifications for providing or selling the same; and to discontinue selling and offering for sale any services as Franchisor may, in its discretion, disapprove or discontinue in writing at any time.

5.2.3 To refrain from engaging Subcontractors to perform any Core Services, unless otherwise permitted in Exhibit A, the Manual, or in a written consent given by a director (or higher) level employee of Franchisor. All Subcontractors must meet Franchisor's then-current minimum qualifications and, unless otherwise specified in the Manual, must be approved by Franchisor in writing.

5.2.4 To permit Franchisor or its agents, at any reasonable time, to enter Franchisee's business premises for the purpose of conducting a Quality Assured review and other inspections and to remove from the premises samples of any inventory items without payment for such items, in amounts reasonably necessary for testing by Franchisor or an independent certified laboratory to determine whether the samples meet Franchisor's then-current standards and specifications.

5.2.5 To support the national programs instituted by Franchisor to generate service sales including the promotion of telephone numbers and websites specified in the Manual, prompt and courteous response to information and service requests, and compliance with requirements established by Franchisor to implement and maintain such programs.

5.2.6 To maintain a live answering service or automated message system allowing immediate connection to a live service or voice for telephone calls to the Franchised Business during the business hours specified by Franchisor in the Manual or otherwise in writing.

5.2.7 To check daily Franchisee's e-mail mailbox assigned by Franchisor and Franchisor's proprietary websites such as Service Connection for communications between Franchisee and Franchisor, and to keep the password issued to Franchisee for access to Franchisor's website confidential at all times.

5.2.8 To comply with all reasonable requirements of Franchisor to measure Franchisee's customer satisfaction with the services provided by Franchisee under this Agreement, and to participate in all programs of Franchisor designed to review and improve the process of operating the Franchised Business including www.tellservicemaster.com and the audio taping of mystery calls initiated by Franchisor to the Franchised Business.

5.2.9 To acquire and maintain, at all times, a properly identified vehicle which satisfies the standards and specifications that Franchisor may from time to time prescribe in the Manual or otherwise in writing.

5.2.10 To offer and provide services to all customers throughout the entire Territory in a timely, fair, and equitable manner.

5.3 Approved Goods and Approved Suppliers.

5.3.1 Specifications and Sourcing Requirements. Franchisor has the right to require that products, supplies, furniture, fixtures, equipment, and services (collectively, **"Goods"**) that Franchisee purchases for resale or purchases or leases for use in the Franchised Business: (i) meet specifications that Franchisor establishes from time to time; (ii) be a specific brand, kind, or model; (iii) be purchased or leased only from suppliers approved by Franchisor; (iv) be purchased or leased only from a single source that Franchisor designates (which may include Franchisor or its Affiliates or a buying cooperative organized by

Franchisor or its Affiliates); and/or (v) be purchased as part of a purchasing program, arrangement, or contract that Franchisor negotiates or specifies. To the extent that Franchisor establishes specifications, requires approval of suppliers, or designates approved suppliers for particular Goods, Franchisor will publish its requirements in the Manual or otherwise in writing.

5.3.2 Approval Process. If Franchisor establishes sourcing requirements or required specifications for a certain Good or category of Goods and Franchisee would like to deviate from such requirements by using a different supplier or a Good that does not meet such specifications, prior to using such non-conforming Goods or suppliers, Franchisee must submit to Franchisor a written request for approval and a representative sample sufficient for end-use evaluation, together with the manufacturer's product identification and specifications and other information as Franchisor reasonably requires to determine whether such Good and/or supplier or distributor meets its specifications and standards. Franchisor may condition its approval of a supplier or distributor on requirements relating to product quality, prices, consistency, warranty, reliability, financial capability, labor relations, customer relations, frequency of delivery, concentration of purchases, standards of service (including prompt attention to complaints), any adverse economic impact on Franchisor, its Affiliates, or the franchise network, and/or other criteria. Franchisor shall notify Franchisee within a reasonable time (which typically ranges between 20 and 150 days, depending on the type of Good) whether it approves such products, supplier and/or distributor. If Franchisee does not receive Franchisor's approval within 150 days after submitting all of the information that Franchisor requests, Franchisor's failure to respond will be deemed a disapproval of the request. Franchisor may charge a fee of $500 per cleaning product and $1,000 per equipment product to conduct such inspection. Franchisor reserves the right to periodically re-inspect the products and services of any approved or designated supplier or distributor and to revoke its approval of any supplier, distributor, product or service that does not continue to meet Franchisor's then-current criteria.

5.3.3 Revenue from Purchases. Franchisee acknowledges and agrees that Franchisor and its Affiliates (a) may derive revenue based on Franchisee's purchases and leases, including from charging Franchisee for products and services that Franchisor or its Affiliates provide and from promotional allowances, volume discounts, commissions, rebates, and other payments made to Franchisor or its Affiliates by manufacturers, suppliers, and/or distributors that Franchisor designates or approves and (b) are entitled to retain and use all such amounts without restriction for any purposes Franchisor or any of its Affiliates deem appropriate.

5.4 Staffing and Customer Service.

5.4.1 Uniforms and Appearance. Franchisee and all employees of Franchisee, while engaged in performance of the services provided by the Franchised Business, shall wear uniforms conforming in color and design to the specifications designated by Franchisor in the Manual or otherwise in writing. Franchisee and all employees of Franchisee shall at all times while on duty present a neat and clean appearance and render competent, sober and courteous service to the customers of the Franchised Business.

5.4.2 Customer Inquiries and Complaints. Franchisee must promptly respond to any and all customer or third-party inquiries or complaints or negative online reviews and achieve customer or third-party satisfaction of reasonable complaints by refunding monies, fixing or replacing damaged property, redoing services, providing service credits, or taking other actions that may be reasonably necessary or appropriate to resolve a complaint to the customer's satisfaction.

5.4.3 Franchisor Intervention. Franchisor may, but is not required to, immediately and directly respond to and settle customer or third-party complaints where, in its sole discretion, Franchisor determines intervention by the Franchisor is appropriate to protect the brand or where Franchisee has failed to promptly or adequately resolve such complaints. Franchisee hereby authorizes Franchisor to manage and settle all such customer or third-party complaints on the Franchisee's behalf and agrees to pay

Franchisor the Complaint Resolution Fee for such assistance. Franchisee's repeated failure to promptly resolve material, substantiated customer or third-party complaints shall constitute a breach of this Agreement.

5.4.4 Managers. Franchisee must monitor and be responsible for any managers employed by Franchisee. Any manager must successfully complete AOS Training and must devote their full time and best efforts to the operation of the Franchised Business, but they do not need to be an Owner.

5.4.5 Staffing and Employment Decisions. Franchisor may provide advice, materials, policies and training modules that address suggested or recommended staffing for the efficient operation of a Franchised Business, and for delivering services in accordance with Franchisor's Standards, including customer service standards and brand standards. Even though Franchisor may offer suggestions, advice, guidelines, or programs, Franchisee will have sole responsibility for all employment decisions and functions related to its Franchised Business, including hiring, firing, promoting, demoting, compensation, benefits, scheduling of employee work hours and shifts, work rules, record-keeping, supervision, and discipline of employees. Franchisee must ensure that its employees are qualified to perform their duties in accordance with Franchisor's Standards. Franchisor does not require Franchisee to implement any employment-related policies or procedures or security-related policies or procedures that Franchisor may make available to Franchisee in the Manuals or otherwise.

5.5 Corporate Franchisee. Franchisee agrees that its authorization to operate as a corporation or limited liability company shall be conditioned on the following requirements:

5.5.1 Unless otherwise agreed to by Franchisor or otherwise stated in the Manual, Franchisee's Owners that directly or indirectly hold a 15% or greater ownership interest in Franchisee's entity shall at all times be personally bound by the terms of this Agreement and shall execute the "Personal Guaranty and Agreement to be Bound Personally by the Terms and Conditions of the Franchise Agreement" (the "**Guaranty**"), the current form of which is incorporated into this Agreement and attached as Exhibit D, which shall be executed and effective from the Effective Date. Owners and any other entities or individuals that sign such Guaranty are referred to as "**Guarantors**."

5.5.2 Each stock certificate of Franchisee or document reflecting an equity ownership interest in Franchisee shall have conspicuously endorsed upon its face a statement in a form satisfactory to Franchisor that it is held subject to this Agreement, and that any assignment or transfer of the stock certificate is subject to all restrictions imposed upon assignments by this Agreement.

5.5.3 Certified copies of Franchisee's Articles of Incorporation or Organization, By-Laws or Operating Agreement, and other governing documents, including the resolutions of the Board of Directors or Board of Managers authorizing entry into this Agreement, must be delivered to Franchisor.

5.5.4 If Franchisee is an individual or a partnership and wishes to form a legal entity, Franchisee shall obtain prior written approval of Franchisor for the transfer of the rights and duties under this Agreement to the new entity and Franchisee shall transfer this Agreement and the Franchised Business to the new entity in accordance with the provisions of Section 12.2.7 (Transfer to an Entity) of this Agreement. The then-current Change Fee may be charged for such a transfer.

5.6 Ownership Interests. If Franchisee is a corporation, limited liability company, or other form of entity, all of its Owners as of the Effective Date shall be listed on Exhibit A. Except in accordance with a Transfer permitted under the terms of this Agreement or as otherwise permitted by Franchisor, the Controlling Owner(s) shall maintain the Controlling Ownership Interest during the entire Term and any Renewal Franchise Agreement.

5.7 Operation of Franchised Business. Franchisee shall maintain a clean and safe place of business in compliance with all Applicable Laws, and with the Occupational Safety and Health Act standards. Franchisee must at all times operate the Franchised Business in a competent manner and in full compliance with all aspects of the System specified by Franchisor. In all business dealings with the public and with Franchisor, Franchisee will be governed by the highest standards of honesty, integrity, fair dealing, and ethical conduct and act at all times to support and grow the System. Franchisee must not engage in any activity or practice that results in or may reasonably be anticipated to result in damage to Franchisor's business reputation, or result in or reasonably be anticipated to result in any public criticism of the System or Marks.

5.8 Compliance with Applicable Laws. Franchisee must, at its expense, comply with all Applicable Laws pertaining to the operation of the Franchised Business. It is Franchisee's sole and absolute obligation to research all Applicable Laws governing the operation of the Franchised Business and to ensure that such operation does not violate any Applicable Laws. For example, there are various federal laws that could affect Franchisee's business and that Franchisee must comply with such as the American with Disabilities Act, the CAN-SPAM Act, the Telephone Consumer Protection Act (the "**TCPA**"), the Telemarketing Sales Rule (TSR), other federal and state anti-solicitation laws regulating marketing phone calls, and federal and state laws that regulate data security and privacy (including but not limited to the use, storage, transmission, and disposal of data regardless of media type), employment matters, and environmental matters. Franchisee should investigate these laws to understand its potential legal obligations. Franchisee must also comply with all applicable Payment Card Industry standards. Franchisee will, at its expense, be absolutely and exclusively responsible for determining the licenses and permits and certifications required by Applicable Laws for the Franchised Business and for obtaining and qualifying for all such licenses and permits and certifications.

5.9 Payment of Obligations. Franchisee will timely pay all of its obligations and liabilities when payable to Franchisor, Franchisee's suppliers, lessors and creditors.

5.10 Obligations Independent; No Set-Off. The obligations of Franchisee to pay to Franchisor any fees or amounts described in this Agreement are not dependent on Franchisor's performance and are independent covenants by Franchisee. Franchisee shall make all such payments without offset or deduction.

5.11 Responsibility for Services. Franchisee shall be solely responsible for the services and results of such services which are performed under this Agreement. Such responsibility will remain a continuing obligation beyond the termination of this Agreement regardless of the cause for the termination.

5.12 Use of Franchisee Information. Franchisee agrees to give Franchisor and those acting under its authority the right to reasonably and fairly use Franchisee's (or, if applicable, Franchisee's officers' and directors') name, photograph or biographical material in any publication, circular or advertisement related to the business of Franchisor or Franchisee in any place for an unlimited period without compensation.

5.13 Ongoing Training and Meetings.

5.13.1 Ongoing Training. Franchisee must stay current with any changes or developments relating to the System, including any changes specific to the License. To that end, each year during the Term, Franchisee (or if Franchisee is an entity, an officer and at least one Owner of the Franchised Business) must attend, solely at Franchisee's expense, at least three of the seminars, workshops, conventions, or meetings offered by Franchisor for its franchisees (including the annual convention, which counts as one of the three required attendance events) and must pay any registration fees specified by Franchisor for such events, which will not exceed $2,000 per attendee per regional meeting or convention and $4,000 per attendee per training program, seminar, or workshop.

5.13.2 Annual Convention. For each year Franchisor holds an annual convention, Franchisee is required to register and pay the then-current registration fee for at least one representative of

Franchisee, who must be either (i) an Owner, (ii) a manager, or (iii) another person who has been approved by Franchisor. ~~If Franchisee owns more than one System Business, then Franchisee must send at least one representative for one to two System Businesses, two representatives for three to four System Businesses, three representatives for five to six System Businesses, four representatives for seven to eight System Businesses, five representatives for nine to 10 System Businesses, six representatives for 11 to 12 System Businesses, and seven representatives for 13 or more System Businesses.~~ Franchisee may send to any annual convention more than the minimum number of representatives detailed in the prior sentence, provided Franchisee pays the registration fees and other costs and expenses associated with such representatives attending convention. If Franchisee fails to have ~~the minimum number of representatives~~a representative attend the required annual convention for two consecutive conventions, and there is no valid business reason, as determined by Franchisor, in its sole discretion, then Franchisee must pay Franchisor ~~for each absent representative~~ up to 150% of the then-current convention registration fee.

5.14 Compliance with Requirements. Franchisee shall comply with all other requirements set forth in this Agreement and in the Manual.

5.15 Licensing and Certifications. Franchisee must, at all times during the operation of the Franchised Business, acquire and maintain all federal, state and industry-specific licensing and certifications as required in Franchisee's local jurisdiction and as otherwise required by Franchisor. Franchisor may require Franchisee to obtain and maintain (at Franchisee's own expense) certain certifications, training, or licenses provided by Franchisor, its Affiliates, or third parties as a prerequisite for Franchisee to (i) provide certain products or services, (ii) provide products or services to customers in certain specialty industries or certain types of customers, and/or (iii) participate in certain sales or lead generation programs. Franchisor shall publish such requirements, which are subject to change from time to time, in the Manual.

5.16 Optional Programs.

5.16.1 Participation in Optional Programs. Franchisee may elect to participate in certain additional programs, including ~~national accounts~~National Accounts programs, other sales or lead generation programs, or other programs that may be offered by Franchisor from time to time ("**Optional Programs**"), as such programs are described and updated in the Manual and other written guidelines, policies, and agreements. Franchisor may, in its sole discretion, refer leads generated from National Accounts, System Businesses, and other lead generation sources to participants in certain Optional Programs. In order to qualify for participation in such Optional Programs, Franchisee must be in Good Standing and meet any other qualifications specified in the Manual or otherwise in writing~~, which may change from time to time~~. Franchisee may be required to enter into separate agreements specified by Franchisor, including agreements with Affiliates or various third parties, to participate in certain Optional Programs~~ and may be required to pay fees to~~. Franchisor~~, its Affiliates, or program participants in accordance with the terms of such agreements.~~ may, in its sole discretion, modify the minimum requirements to participate in any Optional Programs, as well as the terms of the Optional Programs and any Related Agreements or standards, and Franchisee must comply with such modifications and enter into new agreements as a condition of continuing to participate in the applicable Optional Program.

5.16.2 Fees for Optional Programs. For each Optional Program, Franchisee may be required by Franchisor, its Affiliates, or third parties to pay fees to Franchisor, its Affiliates, insurance carriers, and/or program participants related to participating in Optional Programs, receiving leads generated through Optional Programs, or performing jobs generated through Optional Programs (the "**Optional Program Fees**"). Such Optional Program Fees are in addition to all other fees specified in this Agreement, Related Agreements, or any other agreements, and the fee caps described below for the Optional Program Fees shall not apply to, or impact, any other fees specified in this Agreement, Related Agreements, or other agreements. The Optional Program Fees are specified in Exhibit A.

5.16.3 Providing Services to Optional Program Jobs. If Franchisee provides any goods or services to customers referred to them through an Optional Program, Franchisee must adhere to the terms and conditions set out in any agreements that Franchisor or its Affiliates have negotiated with the customers or referral sources and any other program requirements specified in Related Agreements, the Manual, or otherwise in writing, all of which may be modified from time to time. Franchisor may require Franchisee to service jobs referred to them through Optional Programs as a condition of participating in such programs.

5.16.4 Optional Program Acknowledgements. Franchisee acknowledges and agrees that (a) they may not receive and are not entitled to receive leads and/or jobs from ~~national account programs~~Optional Programs offered by Franchisor from time to time, and ~~that~~(b) if they do receive such leads or jobs: (~~a~~i) those leads or jobs may not be distributed equally; (~~b~~ii) the model for distributing those leads will be designated in Franchisor's sole discretion and may be modified from time to time; (~~c) national account~~iii) customers or insurance carriers may limit the number of participating franchisees in a market and direct work to specific franchisees; and (~~d~~iv) lead and/or job volume varies greatly across the United States, ~~and that~~with some geographic regions ~~have~~having few or no leads/jobs~~; and (e) Franchisee, in certain circumstances, may be required to pay a referral fee of up to 10% of the total invoice amount for any jobs generated from such national account programs~~. Franchisee acknowledges and agrees that (~~i~~x) Franchisor is not obligated to maintain or offer Optional Programs, (~~ii~~y) there is no assurance that Franchisee will be permitted to participate in Optional Programs, and (~~iii~~z) there is no assurance that Franchisee will receive any benefits from any Optional Programs in which Franchisee participates.

5.17 Minimum Monthly Sales Requirement. Beginning in the 13th full month of operation of the Franchised Business, Franchisee's right to continue operating in the Territory is contingent upon Franchisee earning the minimum amount of Gross Service Sales specified in Exhibit A in each month of the Term (the "**Minimum Monthly Sales Requirement**"). In any subsequent renewal agreements, the Minimum Monthly Sales Requirement for the Franchised Business may be increased. Franchisor may terminate this Agreement if Franchisee fails to meet the Minimum Monthly Sales Requirement three times in any nine-month period (except in the event that local economic conditions and/or extenuating circumstances materially affect sales potential which, in Franchisor's sole discretion, affects Franchisee's ability to meet such sales levels).

5.18 Required Hardware and Software.

5.18.1 System Components. Franchisee must, at its expense, acquire and use the computer systems, hardware, tablets, mobile devices, printers, software, apps, websites, network connections, and firewall services (collectively, "**System Components**") Franchisor specifies for the operation of the Franchised Business, including software used to manage the Franchised Business, provide products and services in accordance with the Standards, and/or interact with Franchisor's accounting, customer relationship, or other technology systems. In addition, Franchisor may develop or designate new or modified System Components in the future and may deauthorize the use of certain System Components, provided that Franchisor will provide at least 30 days' notice of any changes to System Components. Franchisee acknowledges that different or additional System Components may be required for Franchisee to participate in certain Optional Programs or to receive jobs from certain customers or referral sources. Franchisor may require Franchisee to obtain, update, and use specified System Components from vendors designated by Franchisor. Franchisee may be required incur costs to purchase, lease, and/or license new or modified System Components and to obtain service and support for the System Components during the term of this Agreement. All System Components must be updated, maintained, and used in compliance with Franchisor's specifications. Franchisor may require Franchisee to electronically upload or transmit information on a periodic basis (including daily) or may require Franchisee to provide Franchisor, or its designee, with independent, remote access to any System Components used in the Franchised Business.

5.18.2 Software. If Franchisor requires Franchisee to use any proprietary software or to purchase any software from a designated vendor, Franchisee must execute, and pay any fees associated with, any software license agreements that Franchisor or the licensor of the software require ("**Software Licenses**"). If Franchisor requires Franchisee to purchase any Software Licenses from Franchisor or its Affiliates, the fee will be incorporated into the Technology Fees. If this Agreement is being executed for the first time by a new franchisee for its first System Business (as either a new Franchised Business or as the acquirer of an existing Franchised Businesses), Franchisee must obtain any required software and enter into any Software Licenses prior to opening the Franchised Business. If Franchisee is an existing franchisee that is entering into this Agreement to renew its right to operate the Franchised Business or to obtain the right to operate an additional System Business, Franchisee must (i) obtain any required software and enter into any Software Licenses within six months of the date of execution of this Agreement or (ii) use in the Franchised Business a software system that is comparable to that specified by Franchisor and has been approved in advance by Franchisor in writing. Franchisor shall have a period of 60 days from the date of receipt of such request to approve or disapprove the comparable software proposed to be used by Franchisee. If Franchisor does not respond within the 60-day period, the use of the software shall be deemed disapproved by Franchisor. Franchisee's breach of any Software Licenses related to the operation of the Franchised Business will be deemed to be a material breach of this Agreement. Franchisee shall use any proprietary software only in the operation of the Franchised Business.

5.19 Restriction on Use of Affiliates. Franchisee must not use Affiliates in connection with the operation of the Franchised Business (including the use of Affiliates to sell, lease, loan, or allow to use personal property or services, such as vehicles, to the Franchised Business) without Franchisor's prior written consent, which Franchisor may withhold in its sole discretion. As a condition to obtaining Franchisor's consent, Franchisor may require Franchisee's Affiliates to guarantee Franchisee's obligations to Franchisor, provide a business plan, and/or provide periodic reporting of financial and other information.

6. INTELLECTUAL PROPERTY

6.1 Marks.

6.1.1 Right to Use the Marks. Franchisee's limited license extends only to use of the Marks in accordance with (a) all applicable standards, operating procedures, policies and guidelines that Franchisor prescribes—and from time to time amends—during the duration of this Agreement, including, without limitation, those set forth in the most current edition of the Manual and other publications, if any, dedicated to proper use of the Marks; and (b) all Applicable Laws pertaining to advertising and marketing, including, without limitation, federal and state laws pertaining to telemarketing (including the TCPA), false advertising, unfair competition, and unfair practices. Franchisee acknowledges that Franchisee's right to use the Marks is derived solely from this Agreement and is limited to the operation of the Franchised Business in compliance with this Agreement.

6.1.2 Ownership of the Marks. Franchisee acknowledges the ownership by Franchisor's Affiliate of the Marks and the validity and enforceability of the Marks, and expressly covenants that during the Term of this Agreement, and after the expiration or termination of this Agreement, Franchisee shall not, directly or indirectly, contest or aid in contesting the validity or ownership of the Marks or take any other action in derogation of the Marks. Franchisee agrees to execute all documents requested by Franchisor or its counsel that are necessary to obtain protection for the Marks or to maintain their continued validity or enforceability. Franchisor further represents that it is licensed to grant Franchisee the right to use the Marks consistent with the terms of this Agreement.

6.1.3 Use of the Marks. Franchisee agrees to use the Marks as the sole service mark identification of the Franchised Business. It is understood and agreed that this license to use the Marks applies only to their use in connection with providing the services included in the License under this Agreement and includes only such Marks as are now or may hereafter be designated by Franchisor in writing for use by Franchisee, and no other Marks of Franchisor or its Affiliates now existing or yet to be developed or acquired by Franchisor. Franchisee shall promote and offer for sale under the Marks only those services which meet Franchisor's prescribed Standards and specifications, as they may be revised and amended by Franchisor from time to time in the Manual or otherwise in writing.

6.1.4 Display of the Marks. Franchisee shall observe all requirements with respect to service mark, trademark and copyright notices, fictitious name registrations, and the display of the legal name or other identification of Franchisee as Franchisor may direct in writing from time to time. Franchisee agrees to provide and advertise its services only under the d/b/a. name listed on Page 1, except for identification of the ServiceMaster trademarked vehicle, as set forth in the Manual and use the Marks designated by Franchisor in Exhibit A or otherwise in writing by Franchisor for that purpose. Franchisee further agrees that all forms and stationery used in connection with the Franchised Business shall prominently include the phrase, "An independent business licensed to serve you by *ServiceMaster Clean/Restore SPE LLC."*

6.1.5 Goodwill. Franchisee understands and agrees that its non-exclusive licensed use of the Marks pursuant to this Agreement does not give Franchisee any ownership interest or other interest, except the non-exclusive right and license herein granted, in and/or to the Marks; that any and all goodwill associated with the Marks inures exclusively to Franchisor's benefit; and that, upon expiration or termination of this Agreement and the License granted in this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the Marks. Any unauthorized use of the Marks including use of the Marks in connection with any SM License other than the License licensed to Franchisee in this Agreement, shall constitute an infringement of the Marks and of Franchisor's rights relating to the licensed Marks. Accordingly, Franchisee expressly agrees not to commit or aid in committing any act of infringement or misuse of the Marks, either during or after the Term.

6.1.6 Restrictions on Use of the Marks. Franchisee shall not use any Mark (i) as part of any corporate name, (ii) with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed to Franchisee by Franchisor), (iii) in any modified form, (iv) in connection with the sale of any unauthorized product or service, (v) on forms, uniforms, materials and supplies not approved by Franchisor, or (vi) in any other manner not explicitly authorized in writing by Franchisor.

6.1.7 Protection of the Marks. Franchisee shall immediately notify Franchisor of any apparent infringement of or challenge to Franchisee's use of any Mark or claim by any person of any rights in any Mark, and Franchisee shall not communicate with any person other than Franchisor and its counsel in connection with any such infringement, challenge or claim. Franchisor and its Affiliates shall have sole discretion to take such action as it or they deem appropriate and the right to exclusively control any litigation or U.S. Patent and Trademark Office or other administrative proceeding arising out of any such infringement, challenge or claim or otherwise relating to any Mark, and Franchisee agrees to execute any and all instruments and documents, and to do such acts and things as may, in the opinion of Franchisor's counsel, be necessary or advisable to protect and maintain the interests of Franchisor and its Affiliates in any such litigation or U.S. Patent and Trademark Office or other proceeding.

6.1.8 Franchisor Reserved Rights. Franchisee acknowledges and agrees that Franchisor retains the right to (i) grant other licenses for the Marks, in addition to those licenses already granted to existing franchisees and to use the Marks in connection with the sale of services, goods and products manufactured or distributed by Franchisor at wholesale or retail and (ii) participate in the development and establishment of other programs or systems for the Marks, or any other Marks, and to grant licenses for other programs, systems and Marks without providing Franchisee any right to such other programs, systems or Marks.

6.1.9 Modifications to the Marks. If it becomes advisable or desirable at any time, in the judgment of Franchisor, for Franchisee to modify or discontinue use of any Mark, and/or use one or more additional or substitute Marks, including the primary Mark and/or color scheme under which the Franchised Business is operating, Franchisee agrees, at its expense, to do so.

6.1.10 Indemnity by Franchisor. Franchisor agrees to indemnify Franchisee against and to reimburse Franchisee for all damages for which Franchisee is held liable in any proceeding arising out of Franchisee's use of any Mark, pursuant to and in compliance with this Agreement. Franchisor's obligations under this Section 6.1.10 are subject to Franchisee and the Owners (i) providing Franchisor with prompt written notice of any claim that could result in an indemnified claim under this Section 6.1.10, (ii) allowing Franchisor to control the defense and settlement of the indemnified proceeding, and (iii) continuing to comply with the terms and conditions of this Agreement. Franchisee and Owners will not settle any claim that could result in an indemnified claim under this Section 6.1.10 without the prior written consent of Franchisor, in its sole discretion.

6.2 Domain Names. Franchisor will register, in its sole discretion, any domain names, e-mail addresses, or websites that contain the Marks or any words or designations similar to the Marks. Franchisee shall not establish an e-mail address or a website using any domain name containing the words "ServiceMaster" "or "ServiceMaster.com", or any other registered trade names or Marks or any variation thereof without the prior written approval of Franchisor.

6.3 Innovations. All ideas, concepts, techniques or materials relating to a Franchised Business (collectively, "**Innovations**"), whether or not protectable intellectual property and whether created by or for Franchisee or its Owners, employees or contractors, must be promptly disclosed to Franchisor and will be deemed to be Franchisor's sole and exclusive property, part of the System, and works made-for-hire for Franchisor. To the extent any Innovation does not qualify as a work made-for-hire for Franchisor, by this Section, Franchisee hereby assigns ownership of that Innovation, and all related rights to that Innovation, to Franchisor and agrees to sign (and to cause its Owners, employees and contractors to sign) whatever assignment or other documents Franchisor requests to evidence Franchisor's ownership or to help Franchisor obtain intellectual property rights in the Innovation. Franchisor and its Affiliates have no obligation to make any payments to Franchisee or any other person with respect to any Innovations. Franchisee may use any Innovation in operating the Franchised Business during the Term, unless Franchisor prohibits the use of the proposed Innovation in conjunction with the System. In the event Franchisor elects not to take additional steps to commercialize any Innovation, Franchisor agrees to meet with Franchisee to discuss opportunities that may exist with respect to such Innovation.

7. CONFIDENTIAL MANUAL

7.1 Compliance with the Manual. For the purposes of this Agreement, the "**Manual**" shall include all those manuals, documents, booklets, guides and related materials containing the specifications, standards, procedures and rules applicable to the Franchised Business, as prescribed from time to time by Franchisor in writing or posted on the Service Connection intranet site. In order to protect the reputation and goodwill of Franchisor and to maintain uniform standards of operation under the Marks, Franchisee shall conduct the Franchised Business in strict accordance with those portions of Franchisor's Manual which are designated as "mandatory" or "required." The Manual shall include any manuals designated by Franchisor and such other programs, materials and training aids designated as confidential and from time to time revised by Franchisor. Franchisor shall have the right, but not the obligation, from time to time, to add to or modify the Manual, and Franchisee agrees to be bound by and to conduct the Franchised Business in accordance with such revisions to the Manual.

7.2 Confidentiality of the Manual. Since the Manual is considered to be the Confidential Information of Franchisor, Franchisee shall treat the Manual in the same manner in which it is required to treat Confidential Information hereunder. Additionally, Franchisee shall require its employees and agents to treat the Manual as confidential and shall not disclose, copy, duplicate, record or otherwise reproduce, in whole or in part, for whatever reason or otherwise make available to any unauthorized person or source, the contents of the Manual. Franchisor shall inform the Franchise Council of modifications it has made to the Manual before it informs the entire network of such revisions.

7.3 Property of Franchisor. The Manual and any other training or other similar materials on loan from Franchisor shall at all times remain the sole property of Franchisor.

8. CONFIDENTIAL INFORMATION AND DATA PROTECTION

8.1 Confidential Information.

8.1.1 Protection of Confidential Information. Franchisee will not, nor will it permit any person or entity to, (a) use any Confidential Information in any other business or for any purpose other than developing and operating the Franchised Business and/or (b) communicate or disclose any Confidential Information to any person or entity, except to Franchisee's employees and professional advisors to the extent necessary for them to perform their functions related to the operation of the Franchised Business. Franchisee acknowledges that its use of the Confidential Information in any other business or for any other purpose would constitute an unfair method of competition with Franchisor and its franchisees. Franchisee must exercise the highest degree of diligence in protecting the secrecy of Confidential Information and must take reasonable precautions to protect the Confidential Information from unauthorized use or disclosure, including implementing any systems, procedures, or training programs that Franchisor requires. Unless Franchisor specifies otherwise in writing, Franchisee must require anyone who may have access to the Confidential Information to execute non-disclosure agreements in a form satisfactory to Franchisor that identifies Franchisor and its Affiliates as third-party beneficiaries of such covenants with the independent right to enforce the agreement. Each Owner shall bind themselves to the confidentiality provisions in this Section 8.1 by signing the Franchisor's then-current form of Guaranty (if such Owner directly or indirectly holds a 15% or greater ownership interest in Franchisee's entity). Franchisee will be liable to Franchisor or its Affiliates for any unauthorized use or disclosure of Confidential Information by any employee, Owner, or other person to whom it discloses Confidential Information.

8.1.2 Ownership of Confidential Information. Franchisor and its Affiliates own all right, title, and interest in and to the Confidential Information. Franchisee acknowledges and agrees that by entering into this Agreement, Franchisee will not acquire any interest in Franchisor's Confidential Information, other than the right to use the Confidential Information that Franchisor periodically designates in operating the Franchised Business during the Term and according to this Agreement's other terms and conditions. Franchisee must promptly inform Franchisor if it learns of any unauthorized use or disclosure of Confidential Information. Franchisor will not be obligated to take any action to protect Confidential Information but will respond in a manner that it deems appropriate.

8.1.3 Injunctive Relief. Franchisee acknowledges that any breach or threatened breach of this Section 8 (Confidential Information and Data Protection) will cause Franchisor irreparable injury for which no adequate remedy at law is available, and Franchisee consents to the issuance of an injunction prohibiting any conduct violating the terms of Section 8. Such injunctive relief will be in addition to any other remedies that Franchisor may have.

8.2 Customer Information. Franchisee agrees that all Customer Information is owned by Franchisor and part of the Confidential Information, whether collected by Franchisee, Franchisor, or another party. Franchisee must furnish Customer Information to Franchisor at any time Franchisor requests it. Franchisee may not sell, transfer, or use Customer Information for any purpose other than operating the Franchised Business in accordance with this Agreement. Franchisor and its Affiliates may use Customer Information in any manner or for any purpose. Franchisee must secure from its actual and prospective customers all consents and authorizations, and provide them all disclosures, that Applicable Laws require to transmit Customer Information to Franchisor and its Affiliates and to permit Franchisor and its Affiliates to use that Customer Information in the manner that this Agreement contemplates.

8.3 Protection of Data. Franchisee must comply with: (i) the Payment Card Industry Data Security Standards enacted by the applicable card associations (as they may be modified from time to time or as successor standards are adopted); (ii) the Fair and Accurate Credit Transactions Act; (iii) all other standards or Applicable Laws that relate to electronic payments, data privacy, personally identifiable information, and data protection; and (iv) Franchisor's then-current policies and procedures, as specified in the Manual or otherwise in writing, regarding the collection, storage, use, processing and transfer of personal or financial data, including any privacy, artificial intelligence, or data protection and breach response policies Franchisor may establish from time to time (collectively, "**Privacy Requirements**"). Franchisor may require Franchisee to (a) use vendors that Franchisor designates or approves to provide security services that are consistent with the Privacy Requirements; (b) maintain specific security measures; (c) provide evidence of compliance with Privacy Requirements upon Franchisor's request; and/or (d) use vendors that Franchisor approves or designates to conduct periodic security audits to ensure that personally identifiable information and/or payment data is adequately protected and provide Franchisor with copies of any audits, scanning results, or related documentation relating to such compliance or audits. Franchisee shall not publish, disseminate, implement, revise, or rescind a data privacy policy without Franchisor's prior consent.

8.4 Data Breaches. If Franchisee suspects or knows of a security or data breach, Franchisee must, at Franchisee's expense, in accordance with the Privacy Requirements, Applicable Laws, and any Franchisor directives, (i) immediately give Franchisor notice of such security breach and cooperate with any inquiry initiated by Franchisor; (ii) promptly identify and remediate the source of any compromise or security breach; (iii) comply with all applicable data breach notification laws; (iv) provide all required notices of breach or compromise to impacted individuals; (v) procure credit history monitoring services for impacted individuals; (vi) pay any related damages or fines; and (vii) keep Franchisor apprised of all such efforts to resolve the issue and resulting damages. For the avoidance of doubt, regardless of any actions that Franchisor may take to investigate or attempt to mitigate damages to Franchisor or the Marks and related goodwill that may result from such breaches, unless otherwise specified by Franchisor, Franchisee assumes, at its expense, all responsibility for addressing and resolving any security or data breach relating to the Franchised Business or customers of the Franchised Business.

9. ACCOUNTING AND RECORDS

9.1 Maintenance of Books, Records and Accounts. During the Term, Franchisee shall maintain and preserve, for at least seven years from the dates of their preparation, full, complete and accurate books, records and accounts in accordance with generally accepted accounting principles and in the form and manner prescribed by Franchisor from time to time in the Manual or otherwise in writing, including, but limited to, the requirement to maintain all such data in the then-current chart of accounts and/or approved accounting software required for use in the operation of the Franchised Business.

9.1.1 Accounting Application. Franchisee must use the then-current accounting application software prescribed by Franchisor from time to time as described in the Manual. Franchisee must install and maintain a software connection to enable accurate and complete transmittal of accounting data from Franchisee to Franchisor at the times and in the manner specified by Franchisor in the Manual. Franchisee must update its master file records to comply with changes to the accounting practices prescribed by Franchisor. Franchisor is not responsible for any technical support for the software.

9.1.2 Reporting from Application. Franchisee must electronically transmit to Franchisor all data stored on Franchisee's accounting application daily.

9.2 Monthly Gross Service Sales Reports. Franchisee shall submit to Franchisor, no later than the date each monthly Royalties payment is due during the Term, a statement on forms prescribed by Franchisor and signed by Franchisee (or if Franchisee is a corporation or limited liability company, by its principal executive officer or managing member) accurately reflecting all Gross Service Sales for each category of service performed during the preceding month and such other data or information as Franchisor may require. The Franchisor shall have the right to distribute and/or publish the monthly Gross Service Sales for the Franchised Business without compensation to or the prior consent of Franchisee.

9.3 Financial Statements and Tax Returns. Within 15 days of the end of each calendar month, Franchisee shall submit to Franchisor a balance sheet as of the end of the calendar month and a profit and loss financial statement for the month and for the fiscal year-to-date. Each balance sheet and financial statement submitted to Franchisor shall be signed by an officer of Franchisee attesting that it is true and correct. If requested by Franchisor, Franchisee shall submit to Franchisor a copy of all federal, state, and other tax returns relating to the Franchised Business, including all federal and state individual income tax returns for each Owner, together with such other information in such form as Franchisor may require.

9.4 Certified Financial Statements. Upon request from Franchisor, Franchisee, at its expense, shall submit to Franchisor, within 90 days after receipt of Franchisor's request, complete financial statements for the preceding calendar year, including both a profit and loss statement and a balance sheet certified by an independent public accountant. Unless otherwise agreed to by Franchisor, or as otherwise set forth in the Manual, the financial statements shall be prepared in accordance with generally accepted accounting principles.

9.5 Other Information. Franchisee shall also submit to Franchisor, for review or auditing, such other forms, reports, records, information and data as Franchisor may reasonably designate, in the form and at the time reasonably required by Franchisor, upon request and as specified from time to time in the Manual or otherwise in writing.

9.6 Audit Rights.

9.6.1 Audit Procedure. Franchisor or its authorized agent or representative shall have the right at any time, and without prior notice to Franchisee, to audit or cause to be audited the sales reports, purchasing reports, advertising expenditures, accounting and bank records, tax returns and schedules, computer records, and other forms, and the information and supporting records which Franchisee is required to submit to Franchisor under this Agreement, including all inventory records and the books and records of the Franchised Business and of any entity which owns or operates the Franchised Business. With respect to any immediate family members and other persons or entities who provide any financial assistance to the Owners or to the Franchised Business, Franchisee also agrees to make available and to assist in obtaining for the audit such financial and other records of those individuals or entities that Franchisor deems necessary to establish the extent of that financial assistance. Franchisee shall fully cooperate with representatives of Franchisor and/or independent accountants or auditors hired by Franchisor conducting any such audit. The parties agree to deliver the relevant documents and conduct the audit in a diligent and expeditious manner. If Franchisee, Affiliates, and Owners have franchises for more than one marketing area, Franchisor may audit the Franchisee, Affiliates, and Owner's business records for any of the marketing areas to determine if sales or services have been shifted from one franchise to another to meet performance requirements, win awards, qualify for Optional Programs, or to otherwise gain improper advantage, and for any other business reason that Franchisor deems appropriate.

9.6.2 Remedies for Deficiencies. In the event any such audit shall disclose an understatement of the Gross Service Sales of the Franchised Business, Franchisee shall pay to Franchisor, within 30 days after receipt of the audit report, the Operating Fees and other monies due on the amount of such understatement, plus interest (as specified in Section 4.5.3 (Late Fees and Interest)). Further, in the event such audit is made necessary by the failure of Franchisee to furnish reports, supporting records, or other information, as required by this Agreement or if the audit reveals an understatement of Gross Service Sales for any period or periods greater than 1% and the amount of underpayment plus interest is greater than $5,000, Franchisee shall pay Franchisor $5,000 and reimburse Franchisor for the cost of such audit, including the charges of any independent accountant, attorneys, and/or third-party vendor and the travel expenses, room and board and compensation of employees of Franchisor and its authorized agents or representatives. The foregoing remedies shall be in addition to and will not be a waiver of or prejudice any other remedies and rights of Franchisor hereunder or under Applicable Laws, including Franchisor's right to terminate this Agreement. If Franchisor makes the findings of its audit available to Franchisee, its findings should not be taken or construed as any approval or indication of Franchisee's compliance with any financial reporting requirements, Applicable Law, or any local, state, or federal tax filings.

10. ADVERTISING. Recognizing the value of advertising, and the importance of the standardization of advertising programs to the furtherance of the goodwill and public image of the System, the parties agree as follows:

10.1 Local Advertising.

10.1.1 Marketing Plan. By the deadlines specified by Franchisor, Franchisee must provide Franchisor with an annual marketing plan and budget (the "**Marketing Plan**") and obtain Franchisor's written approval of such Marketing Plan, which must be revised to incorporate any changes required by Franchisor. Franchisee must diligently implement the approved Marketing Plan.

10.1.2 Local Advertising Commitment. Franchisee shall spend not less than the percentage of monthly Gross Service Sales as set forth in Exhibit A on Eligible Local Marketing (the "**Local Advertising Commitment**"). From time to time, Franchisor may specify, in its sole discretion, in the Manual and otherwise in writing, the types, methods, and specifications of local advertising in the Territory that will qualify as "**Eligible Local Marketing**."

10.1.3 Reporting and Compliance. Upon Franchisor's request or by the deadlines specified by Franchisor, Franchisee must provide, in a form and manner specified by Franchisor, an accounting of its monthly and/or annual local advertising expenditures and any evidence necessary to demonstrate compliance with the Local Advertising Commitment and the Marketing Plan. If Franchisee fails to meet its Local Advertising Commitment in any month, in addition to Franchisor's other remedies, Franchisee will be required to contribute to the Ad Fund the difference between the amount spent on Eligible Local Marketing in such month and the Local Advertising Commitment in such month, plus late fees and interest due. Franchisor shall not be obligated to spend such additional Ad Fund contributions on advertising in the Territory.

10.1.4 Conducting Local Advertising. Local advertising, sales activity, and other marketing activities are subject to approval by Franchisor and must be consistent with the then-current sales and marketing guidelines (which will be updated from time to time as Franchisor deems necessary). All local advertising conducted by Franchisee shall be conducted in a dignified manner and conform to Franchisor's requirements as set forth in the Manual or otherwise in writing. Franchisee may not market or advertise in violation of federal laws regulating advertising, such as the CAN-SPAM Act and the Telephone Consumer Protection Act, and state advertising laws applicable to the Franchised Business. Any information that Franchisee provides in any advertising or other materials, including any Digital Marketing (as defined below), must not (a) be false, inaccurate or misleading; (b) infringe any third party's copyright, patent, trademark, trade secret or other proprietary rights or rights of publicity or privacy; (c) violate any Applicable Laws; (d) be defamatory, trade libelous, unlawfully threatening or unlawfully harassing; (e) be obscene or contain a sexually explicit image; or (f) create liability for Franchisor or cause Franchisor to lose the loyalty of customers of System Businesses.

10.2 Approval of Advertising. Franchisee shall submit to Franchisor's Business Development Consultant (BDC), for its prior approval (except with respect to the prices to be charged), samples of all advertising and promotional plans and materials that Franchisee desires to use and that have not been prepared or previously approved by Franchisor. If not disapproved or otherwise rejected by Franchisor within 20 days after the date Franchisor received such materials, Franchisor shall be deemed to have given the required approval.

10.3 Advertising Fund. Franchisor shall have the right, in its sole discretion, to establish or discontinue a national advertising fund for the promotion of System Businesses, Core Services, and the Marks (the "**Ad Fund**"). Franchisee shall make contributions to the Ad Fund as required under Section 4.2.1 (Ad Fund Contribution) of this Agreement. The Ad Fund shall be maintained and administered by Franchisor. Franchisee acknowledges that Franchisor has established a national Ad Fund as described in this Agreement.

10.3.1 Advertising Committee. Franchisor has established an Advertising Committee (the "**Committee**") which provides guidance, counsel and communication as it relates to the creation of advertising programs funded through the Ad Fund. The Committee is composed of franchisees selected by Franchisor and members of Franchisor's marketing department. The Committee does not have the right to approve, cancel, modify or create any marketing and promotional programs as the Committee only serves in an advisory role. All advertising programs are subject to the final approval of Franchisor.

10.3.2 Use of the Ad Fund. Franchisee agrees and acknowledges that the Ad Fund is intended to help enhance the general public recognition and acceptance of the Marks for the benefit of the SM Licenses and that Franchisor does not undertake any obligation in administering the Ad Fund to make expenditures for the benefit of Franchisee which are equivalent or proportionate to its contributions, or to ensure that any particular franchisee benefits directly or pro rata from the placement of advertising. The Ad Fund may be used to meet any and all costs of maintaining, administering, directing, and preparing advertising (media and production), branding, marketing, public relations and/or promotional programs and materials, and any other activities that Franchisor believes would benefit the brand and Franchised Businesses and/or will promote the programs, products, and services offered by Franchised Businesses, including (a) the cost of preparing and conducting digital and social marketing activities, television, radio, magazine, direct mail, and newspaper advertising campaigns and other sales, marketing, sponsorships, promotional and public relations activities; (b) producing and maintaining marketing systems and tools; (c) employing advertising agencies and public relations firms; (d) paying employee salaries, salesperson commissions, benefits, and other related costs and expenses for Franchisor and its Affiliates' employees that devote time to and render services related to the Ad Fund; (e) soliciting the granting of franchises to expand the System for SM Licenses; (f) the costs relating to any toll-free number maintained by Franchisor and used in advertising and marketing campaigns; (g) producing advertising and sales support materials for use by franchisees; (h) conducting programs that are meant to promote positive customer experiences, including programs to incentivize franchisees and/or their frontline personnel to achieve high customer satisfaction/referral rates; (i) providing certain phone services, such as purchasing call tracking lines and producing on-hold marketing messages; (j) providing promotional brochures and other marketing materials to franchisees; (k) developing and placing online display and retargeting advertising; (l) developing dashboards for interactive marketing, planning, customer service analysis and sales/marketing decision-making; (m) paying the expenses of the Ad Fund; (n) monitoring and/or managing social media relating to the brand; (o) conducting market research and surveys related to marketing and branding; (p) purchasing naming rights and sponsorships; (q) participating in trade shows and similar industry events; and (r) such other costs and expenses as Franchisor, in its sole discretion, deems appropriate and in the best interests of all or any franchisees.

10.3.3 Operation of the Ad Fund. All sums paid by franchisees to the Ad Fund shall be maintained in a Franchisor account and tracked on a separate profit and loss statement and shall not be used to defray any of Franchisor's general operating expenses, except for such reasonable administrative costs and overhead, if any, as Franchisor may incur in activities reasonably related to the administration or direction of the Ad Fund and advertising programs including conducting market research, preparing marketing, promotional and advertising materials, and collecting and accounting for assessments for the Ad Fund. The proportionate compensation of Franchisor's and its Affiliates' employees who devote time and render services in the formulation, development and production of such marketing and promotion programs or the administration of the Ad Fund, will be paid from the Ad Fund. All System Businesses owned by Franchisor or its Affiliates will contribute to the Ad Fund on the same basis as the franchisees. Franchisor will not use the Ad Fund principally to solicit new franchise sales. If all the advertising contributions in the Ad Fund are not spent in the year they are accrued, the remaining amounts will be carried over to the next year. For the avoidance of any doubt, the Ad Fund shall be deemed general funds and shall not be deemed to be trust funds; and Franchisor shall have no obligation to spend on marketing or promotion amounts in excess of those funds actually collected from franchisees.

10.3.4 Review of the Ad Fund. A financial review of the operation of the Ad Fund shall be prepared annually by Franchisor. Within 90 days after the annual review is provided to the Committee, the Franchise Council may request an audit of expenses to be performed by an independent certified public accountant selected by the Committee. The annual review and any audit shall be made available to Franchisee upon request. The cost of the financial review and any audit shall be charged to the Ad Fund.

10.4 Other Marketing and Promotional Programs. Franchisor or its designee will from time to time formulate, develop, produce and conduct marketing and promotional programs in the form and types of media as Franchisor or its designee determines to be most effective. Franchisee agrees to participate in all marketing and promotions as Franchisor determines to be appropriate for the benefit of the System.

10.5 Telephone Numbers. Franchisee specifically agrees that all telephone numbers, including toll-free and local numbers, used at the Franchised Business or in advertising the Franchised Business will belong to Franchisor and be maintained in the name and for the use designated by Franchisor. Franchisee shall be responsible for all maintenance and other charges related to each telephone number used by the Franchised Business. Without Franchisor's prior written approval, Franchisee will (a) not employ and/or publish any other telephone number for customer use in connection with the Franchised Business and (b) use only roll-overs or other forwarding functions authorized by Franchisor.

10.6 Digital Marketing. Franchisor or its Affiliates may, in their sole discretion, establish, operate, and/or participate in websites, social media accounts (such as Facebook, X, Instagram, Pinterest, etc.), applications, online advertising purchasing programs, accounts with websites featuring gift certificates or discounted coupons, mobile applications, podcasts, blogs, vlogs, video and photo-sharing sites (such as TikTok, YouTube, etc.), chat rooms, virtual worlds, review sites, or other means of digital advertising on the Internet or any electronic communications network that may be used to promote the Marks, the Franchised Businesses, and/or the entire network of System Businesses (collectively, "**Digital Marketing**"). Franchisor will have the sole right to control all aspects of any Digital Marketing, including those related to the Franchised Business. Unless Franchisor consents otherwise in writing, Franchisee, its employees, and its agents may not, directly or indirectly, (a) conduct or be involved in any Digital Marketing that use the Marks or that relate to the Franchised Business or the network, (b) may not use the Marks, or any words or designations similar to the Marks, in any domain name, search engine keyword, social media account, or metatag, and (c) may not use a form of Digital Marketing to conduct commerce or directly or indirectly offer or sell any products or services in connection with the Franchised Business. If Franchisor permits Franchisee, its employees, or its agents to conduct any Digital Marketing, Franchisee, its employees, and its agents must comply with any policies, standards, guidelines, or content requirements that Franchisor establishes periodically and must immediately modify or delete any Digital Marketing that determine, in Franchisor's sole discretion, is not compliant with such policies, standards, guidelines, or requirements. If Franchisee, its employees, or its agents conduct any Digital Marketing, Franchisor will have the right to retain full control over all websites, social media accounts, mobile applications, or other means of digital advertising that are used. Franchisor may withdraw its approval for any Digital Marketing or suspend or terminate Franchisee's use of any Digital Marketing platforms at any time.

10.7 Websites. Franchisor will reference Franchisee's Franchised Business on the website Franchisor develops for the System (the "**Website**") so long as Franchisee is in full compliance with this

Agreement. At Franchisor's request, Franchisee shall provide to Franchisor true, complete and correct information relating to its Franchised Business for inclusion on such Website. Franchisee acknowledges and agrees that Franchisor will have final approval rights over all information on the Website. Franchisor will own all intellectual property and other rights in the Website, all information contained on it and all information generated from it (including the domain name or URL, the log of "hits" by visitors and any personal or business data that visitors supply). Nothing in this Section 10.7 shall limit Franchisor's right to maintain websites other than the Website or to offer and sell products or services under the Marks from the Website, another website, or otherwise over the Internet without payment or obligation of any kind to Franchisee.

11. INSURANCE

11.1 Insurance Required. Franchisee shall at all times during the Term maintain in force at Franchisee's sole expense the insurance coverage for the Franchised Business in the amounts, covering the risks, and containing only the exceptions and exclusions that Franchisor periodically specifies. All of Franchisee's insurance carriers must be rated A or higher by A.M. Best and Company, Inc. (or such similar criteria as Franchisor may periodically specify). These insurance policies must be in effect on or before the deadlines Franchisor specifies. All coverage must be on an "occurrence" basis, except for the employment practices liability insurance coverage, which is on a "claims made" basis. All policies shall apply on a primary and non-contributory basis to any other insurance or self-insurance that Franchisor or its Affiliates maintain. All general liability and workers' compensation coverage must provide for waiver of subrogation in favor of Franchisor and its Affiliates. Franchisor may periodically increase the amounts of coverage required and/or require different or additional insurance coverage at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. All such liability insurance policies shall name Franchisor and its Affiliates as additional insureds and shall provide that Franchisor receive 30 days' prior written notice of termination, expiration or cancellation of any such policy. Franchisee shall submit to Franchisor, or Franchisor's designated agent, annually a copy of the certificate of or other evidence of the renewal or extension of each such insurance policy.

11.2 Coverage Requirements. The required policies of insurance to be maintained by Franchisee shall be as set forth in the Manual or otherwise in writing, and shall include, at a minimum, the following: (i) Workers' compensation and occupational disease insurance as may be required by applicable state or federal law, (ii) Comprehensive General Liability insurance, including products and completed operations coverage, (iii) business automobile liability coverage for owned, hired, and non-owned vehicles or any auto, and (iv) all other insurance required by applicable state or federal law. Some SM Licenses may require different or additional insurance policies, as specified in the Manual from time to time. Franchisee acknowledges and agrees (a) the required insurance coverage and limits will not necessarily be adequate to protect Franchisee for all events, nor will it be deemed as a limitation on Franchisee's liability to Franchisor; (b) Franchisee may meet the required insurance coverages and limits with any combination of primary and umbrella/excess liability insurance; (c) Franchisee is solely responsible for any deductible or self-insured retention; and (d) if Franchisor receives any proceeds from any claim under Franchisee's policies, Franchisor may retain any such amount to offset any monies Franchisee owes to Franchisor or its Affiliates. Franchisor must not satisfy its insurance obligations through the use of self-insurance, retroactive insurance, high-deductible insurance, insurance through a captive insurance program, or other non-traditional insurance without Franchisor's prior written approval. If Franchisor, in its sole discretion, approves any non-traditional coverage, Franchisor may specify the broker or any providers that must be used and any other requirements and standards for such coverage.

11.3 Failure to Maintain. Franchisee shall submit to Franchisor, or Franchisor's designated agent, annually a copy of the certificate of or other evidence of the renewal or extension of each such insurance policy. Should Franchisee, for any reason, fail to procure or maintain the insurance required by this Agreement, as revised from time to time for all franchisees in the Manual or otherwise in writing, Franchisor shall have the right, at its option and in addition to any other rights and remedies, to procure such insurance coverage on Franchisee's behalf, and to charge Franchisee the Insurance Procurement Fee, which will be due immediately upon Franchisee's receipt of written notice. Franchisee shall promptly execute any applications or other forms or instruments required to obtain any such insurance.

11.4 Obligation to Obtain. Franchisee's obligation to obtain and maintain insurance policy or policies as specified by Franchisor shall neither be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of this obligation relieve it of liability under the indemnity provisions set forth in Section 17.3 (Indemnification) of this Agreement.

12. ASSIGNMENT

12.1 Transfer by Franchisor. Franchisor shall have the right to transfer or assign this Agreement or all or any part of its rights or obligations under this Agreement to any person or legal entity including to distributors of Franchisor, without the approval or consent of Franchisee. Franchisee agrees to execute any forms as Franchisor may reasonably request to acknowledge or effectuate any such assignment by Franchisor.

12.2 Transfer by Franchisee.

12.2.1 Franchisee's Owners. Franchisee represents and warrants that Exhibit A of this Agreement completely and accurately identifies all Owners and describes their ownership interests (whether direct or indirect) in Franchisee as of the Effective Date.

12.2.2 Transfer by ~~Franchisee-Defined~~Franchisee - Defined. Franchisee acknowledges that the rights and duties this Agreement creates are personal to Franchisee and its Controlling Owners and that Franchisor has granted Franchisee the rights under this Agreement in reliance upon Franchisor's perceptions of Franchisee's and its Controlling Owners' collective character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, unless otherwise specified in Section 12.2 (Transfer by Franchisee), prior to a Transfer~~ of (a) this Agreement (or any interest in this Agreement), (b) the Franchised Business or substantially all of its assets, or (c) any ownership interest in Franchisee or any Owner (if such Owner is a legal entity) may be subject to a Transfer (as further defined in Section 28 (Definitions) of this Agreement)~~, Franchisee must obtain Franchisor's prior written approval for the proposed Transfer and Franchisee, transferee, and any related parties must comply with the terms and conditions applicable to such Transfer in Section 12.2. A ~~transfer~~Transfer of the Franchised Business' ownership, possession, or control, or substantially all of its assets, may be made only with a ~~transfer~~Transfer of this Agreement. Any Transfer without complying with the terms and conditions applicable to such Transfer in Section 12.2 ~~including Franchisor's approval ~~is a material breach of this Agreement, and such transaction will be deemed void *ab initio*. Franchisee may not offer the Franchised Business, the assets of the Franchised Business, or any interest in Franchisee through an auction, unless Franchisor consents in writing in advance. Franchisor reserves the right to conduct an audit of the Franchised Business as a pre-condition to consent to Transfer.

12.2.3 Non-Control Transfers. Subject to the other provisions of Section 12.2 (Transfer by Franchisee), Franchisee must obtain Franchisor's written consent to a proposed Non-Control Transfer prior to completing such Transfer. Franchisor will not unreasonably withhold its consent to a Non-Control Transfer, provided (i) neither the proposed transferee nor any of its direct and indirect owners (if the transferee is a legal entity) own, operate, or are directly or indirectly involved in any Competing Business; (ii) such Transfer does not, whether in one transaction or a series of related transactions (regardless of the time period over which these transactions take place), result in the transfer or creation of a direct or indirect Controlling Ownership Interest in Franchisee; (iii) prior to the closing of such Non-Control Transfer, Franchisor receives written notice of such Non-Control Transfer from Franchisee, which notice shall fully and completely describe such Non-Control Transfer and the parties involved in such Non-Control Transfer, including such other information as Franchisor reasonably requests from time to time concerning any new Non-Controlling Owners; (iv) such Non-Controlling Owners have, in Franchisor's judgment, the necessary business experience and good moral character and business reputation necessary to participate in, or be associated with, the Franchised Business; (v) upon closing of the Transfer, Franchisee pays the Change Fee to ~~franchisor~~Franchisor; (vi) Franchisee (and each of its Guarantors) is substantially complying with this Agreement; and (~~vi~~vii) and Franchisee and each of its Owners, and the transferee and each owner of any equity ownership interest in the transferee, execute a General Release and any other documentation required by Franchisor to effectuate the Transfer. ~~If Franchisee or its Owners fail to comply with this Section 12.2.3 and fail to obtain Franchisor's written consent to the proposed Non-Control Transfer prior to completing such Transfer, it shall be an incurable event of default under this Agreement and the transaction will be deemed void *ab initio*.~~

12.2.4 Control Transfers. Franchisee must notify Franchisor in writing at least ten days in advance of Franchisee's listing the Franchised Business or a direct or indirect Controlling Ownership Interest in Franchisee for sale and promptly send Franchisor all information that Franchisor reasonably requests regarding any proposed sale. In connection with any proposed Control Transfer, Franchisee must submit to Franchisor, on behalf of the proposed transferee, a complete application for a new franchise agreement (the "**Change of Ownership Application**"), accompanied by payment of a non-refundable deposit equal to 25% of the applicable Transfer Fee (which will be credited towards the Transfer Fee if the Transfer is completed but will be retained by Franchisor if the Transfer is not completed for any reason). The same qualifications apply to all potential transferees, including spouses, adult children, and existing managers of the business. Franchisor will process the Change of Ownership Application according to this Section 12.2.4 and its then-current procedures for such transfers. Franchisor has 60 days from its receipt of the completed and signed Change of Ownership Application to consent or withhold its consent to the proposed Control Transfer. ~~No Control~~ Subject to the other provisions of Section 12.2 (Transfer ~~may occur without~~by Franchisee), Franchisee must obtain Franchisor's ~~prior~~ written consent to a proposed Control Transfer prior to completing such Transfer. If Franchisee (and each of its Guarantors) is substantially complying with this Agreement, then, subject to the other provisions of Section 12.2 (Transfer by Franchisee), Franchisor will not unreasonably withhold its approval of a Control Transfer if all of the following conditions are met before or concurrently with the effective date of the Control Transfer:

12.2.4.1 the transferee and each of its direct and indirect owners (if the transferee is a legal entity) has, in Franchisor's judgment, the necessary business experience, good moral character and business reputation, aptitude and ability to conduct the Franchised Business (as may be evidenced by prior related business experience or otherwise), the financial resources to operate the Franchised Business, and satisfies all eligibility requirements necessary to participate in the Franchised Business;

12.2.4.2 Franchisee has paid all amounts owed to Franchisor, its Affiliates and third-party vendors, and has not violated any provision of this Agreement or Related Agreement, in each case during both the 60-day period before Franchisee requested Franchisor's consent to the transfer and the period between Franchisee's request and the effective date of the transfer;

12.2.4.3 at the transferee's expense and upon such other terms and conditions as Franchisor may reasonably require, Franchisor may require the transferee (or if the transferee is a corporation or limited liability company, the transferee's officers or owners) to complete the training courses then in effect for new franchisees;

12.2.4.4 the transferee and its owners (if the transfer is of this Agreement), or Franchisee and its Owners (if the transfer is of a Controlling Ownership Interest in Franchisee or one of its Controlling Owners), at Franchisor's sole discretion, either (a) sign Franchisor's then-current form of franchise agreement and related documents (including guarantees and assumptions of obligations), any and all of the provisions of which may differ materially from any and all of those contained in this Agreement, including the Royalties and Ad Fund Contributions, and the term of which franchise agreement will be, at Franchisor's option, a five year term or the remaining unexpired portion of the term of Franchisee's existing franchise agreement or (b) assume Franchisee's existing franchise agreement for the remaining unexpired portion of the term and sign any related documents (including guarantees and assumptions of obligations);

12.2.4.5 Franchisee and its Owners and/or Guarantors sign a termination agreement in Franchisor's then-current form, and Franchisee and each of its Owners, and the transferee and each owner of any equity ownership interest in the transferee, shall have executed a General Release. In addition, each owner that directly or indirectly holds a 15% or greater ownership interest in transferee's entity shall sign all documents Franchisor requests evidencing their agreement to remain liable or assume liability for all obligations to Franchisor and its Affiliates existing before the effective date of the transfer;

12.2.4.6 Franchisor has determined that Franchisee's or the transferee's (as applicable) overall financial status following the transfer will not adversely affect the operation of the Franchised Business;

12.2.4.7 the transferee must prepare a business plan (containing the information and in the format specified by Franchisor) for the Franchised Business and must obtain Franchisor's written approval for such business plan, which Franchisor may provide or condition in its sole discretion;

12.2.4.8 Franchisee (if Franchisee will no longer operate the Franchised Business) and its transferring Owners agree that they will not directly or indirectly at any time or in any manner use any Mark, copyrighted materials or Confidential Information, except as otherwise permitted under any then effective agreement with Franchisor or its Affiliates;

12.2.4.9 neither the transferee nor its owners own, operate, or are directly or indirectly involved in any Competing Business; and

12.2.4.10 upon granting of approval for the transfer of the Franchised Business, Franchisee shall pay Franchisor the applicable Transfer Fee.

Franchisor may review all information regarding the Franchised Business that Franchisee gives the proposed transferee, correct any information that Franchisor believes is inaccurate, and give the proposed transferee copies of any reports that Franchisee has given Franchisor or Franchisor has made regarding the Franchised Business. ~~Franchisor reserves the right to conduct an audit of the franchised business as a pre-condition to Transfer.~~

12.2.5 Permitted Control Transfers. Notwithstanding Section 12.2.4 (Control Transfers): (i) any Controlling Owner may, without Franchisor's prior written consent and without complying with the other terms and conditions of Section 12.2.4, transfer its interest in Franchisee (or Franchisee's Controlling Owner) to any other entity in which such Controlling Owner owns (directly or indirectly) all of the ownership interests; and (ii) any Owner who is an individual may, without Franchisor's prior written consent and without complying with the other terms and conditions of Section 12.2 (Transfer by Franchisee), transfer his or her interest in Franchisee (or Franchisee's Owner) to a trust or other entity that he or she establishes for estate planning purposes, as long as (a) he or she is a trustee of, or otherwise controls the exercise of the rights in Franchisee (or Franchisee's Owner) held by, the trust or other entity, (b) continues to comply with and ensures the trust's or other entity's compliance with the applicable provisions of this Agreement (if such Owner is a Guarantor), (c) signs the Guaranty in his or her individual capacity, and (d) notifies Franchisor in writing of the transfer at least ten days prior to its anticipated effective date. Dissolution of, or transfers from, any trust or other entity described in this Section 12.2.5 are subject to all applicable terms and conditions of Sections 12.2.2 (Transfer by Franchisee-Defined), 12.2.3 (Non-Control Transfers), and/or 12.2.4 (Control Transfers).

12.2.6 Transfer to Competitor Prohibited. Franchisee will not sell, assign or transfer this Agreement, any interest in Franchisee or the Franchised Business, or any assets or accounts of Franchisee or the Franchised Business, to any person, partnership, corporation or entity that owns, operates, franchises, develops, consults with, manages, is involved in, or controls any business that is in any way competitive with Franchisor or the Franchised Business. If Franchisor refuses to permit a transfer or assignment based upon this provision, Franchisee's only remedy will be to have a court of competent jurisdiction determine whether the proposed transferee is a competitor of Franchisor.

12.2.7 Transfer to an Entity. In the event the proposed transfer is to a corporation, limited liability company or other legal entity, Franchisor's consent to such transfer may, in its sole discretion and in addition to any other applicable conditions, be conditioned on the requirements set forth in Section 5.5 (Corporate Franchisee) of this Agreement.

12.2.8 Transfer of Ownership Interests Upon Death. Upon the death or mental incompetency of a person with a Controlling Ownership Interest in Franchisee or one of its Controlling Owners, that person's executor, administrator, or personal representative ("**Representative**") must, within six months after the date of death or mental incompetency, transfer the Owner's interest in Franchisee or the Controlling Owner to a third party, subject to Franchisor's approval and the conditions set forth in Section 12.2.4 (Control Transfers). In the case of a transfer by devise or inheritance, if the heirs or beneficiaries cannot meet the conditions of Section 12.2.4 within this six-month period, the Representative will have nine months from the date of death or mental incompetency to dispose of the interest, subject to Franchisor's approval and the conditions set forth in Section 12.2.4. Franchisor may terminate this Agreement if this required transfer fails to occur in compliance with this Agreement within the required time frame.

12.2.9 Non-Waiver of Claims. Franchisor's consent to a transfer of any interest in the Franchised Business shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferee.

12.2.10 Security Interests. Franchisee may not assign, grant or pledge any security interest in the Franchised Business, the assets used in the operation of the Franchised Business, or any direct or indirect legal and/or beneficial interest in Franchisee without Franchisor's prior written consent, which will not be unreasonably withheld. Franchisor's consent may be conditioned, in Franchisor's sole discretion, on the written agreement by the secured party that, in the event of a default by Franchisee under any agreement related to the security interest, Franchisor will have the right and option (but not the obligation) to purchase the rights of the secured party upon payment of all sums then due to the secured party. Any foreclosures or other exercise of the rights granted under that security interest are subject to all applicable terms and conditions of Section 12 (Assignment). Notwithstanding the foregoing, however, Franchisee may grant, without obtaining Franchisor's prior written approval, a security interest in the assets of the Franchised Business (not including this Agreement or any future receivables) to a lender for the sole purpose of financing Franchisee's acquisition, development, and/or operation of the Franchised Business.

12.2.11 Acknowledgment of Restrictions. Franchisee acknowledges and agrees that the restrictions imposed by Franchisor on transfers in Section 12.2 (Transfer by Franchisee) are reasonable and necessary to protect the goodwill associated with Franchisor's business operation and the Marks, as well as Franchisor's reputation and image and are for the protection of Franchisor and all franchisees that own and operate System Businesses. Any attempted assignment or transfer made without complying with the requirements of Section 12.2 will be void.

12.2.12 Right of First Offer.

12.2.12.1 Offer Procedure. If Franchisee (or any of its Owners) at any time during the Term determines to sell or transfer for consideration this Agreement, the Franchised Business or all or substantially all of its assets, or a Controlling Ownership Interest in Franchisee or its Controlling Owner (except to or among Franchisee's Owners as of the Effective Date, which is not subject to this Section 12.2.12), then Franchisee must first give Franchisor the opportunity to acquire those rights (the "**Offered Rights**") by delivering written notice to Franchisor. Franchisee's notice must contain the specific terms and conditions of the proposed sale or transfer, including the proposed consideration and the terms of any financing Franchisee or its Affiliate will provide for the proposed purchase price (the "**Offer Terms**"). The Offer Terms must relate exclusively to the Offered Rights and not to any other assets or rights. Franchisor will then have 45 days after receiving the Offer Terms to notify Franchisee whether Franchisor elects to acquire the Offered Rights on the Offer Terms, provided that (1) Franchisor may substitute cash, a cash equivalent, or marketable securities for any form of payment proposed in the Offer Terms (such as ownership interests in an entity) and may elect to pay the net present value of any payments to be made over time; and (2) Franchisor must receive, and Franchisee and its Owners agree to make, all customary representations, warranties, and indemnities in Franchisor's purchase, including representations and warranties as to ownership and condition of and title to assets; liens and encumbrances on assets; validity of contracts and agreements; liabilities affecting the assets, contingent or otherwise; and indemnities for all actions, events, and conditions that existed or occurred in connection with the Franchised Business before the closing. Franchisor reserves the right to assign its right of first offer to purchase this Agreement, the Franchised Business, all or substantially all of Franchisee's assets, or any interest in Franchisee and to designate a substitute purchaser for such assets.

12.2.12.2 If Right Exercised. If Franchisor (or its assignee or designee) exercises the right of first offer, the closing will take place at a location and on a date (within 30 days after Franchisor delivers its notice of exercise to Franchisee) that Franchisor chooses. Franchisor (or its assignee or designee) and Franchisee will sign documents, including deeds, affidavits, transfers and assignments, and any other documents necessary or appropriate for the sale or transfer of the Offered Rights. Franchisee must satisfy all liens, mortgages, and/or encumbrances on the Franchised Business. Franchisor (or its assignee or designee) and Franchisee will share equally any closing costs.

12.2.12.3 If Right is Not Exercised. If Franchisor notifies Franchisee in writing that Franchisor does not intend to exercise its right of first offer with respect to any Offer Terms, or fails to notify Franchisee of Franchisor's decision within the 45-day period described above, then Franchisee thereafter may offer the Offered Rights to any third party on terms no more favorable to that party than the Offer Terms. However, Franchisee or its Owners may sell or transfer the Offered Rights only if Franchisor otherwise approves the transfer in accordance with, and Franchisee (and its Owners) and the transferee comply with the conditions in, Section 12.2 (Transfer by Franchisee) of this Agreement. This means that, even if Franchisor does not exercise Franchisor's right of first offer, if the proposed transfer otherwise would not be allowed under Section 12.2, Franchisee (or its Owners) may not move forward with the transfer.

12.2.12.4 Reactivation of Right. If Franchisee later elects to offer the Offered Rights on terms which are more favorable to the buyer than the Offer Terms, or, if Franchisee elects to change the Offered Rights, then Franchisee must first offer those new terms to Franchisor according to the procedures described above. In addition, if Franchisee does not sell or transfer the Offered Rights in compliance with this Section 12.2.12 and the conditions in Section 12.2, within 12 months after Franchisor first receives notice of the Offered Rights, then the rights under this Section 12.2.12 shall once again apply with respect to those Offer Terms, and Franchisee may not sell or transfer for consideration the Offered Rights without first giving Franchisor the opportunity to acquire those rights according to this Section 12.2.12.

13. TERMINATION OF FRANCHISE

13.1 Termination after Opportunity to Cure. In addition to its right to terminate this Agreement as provided in Section 13.3 (Franchisor's Immediate Termination Rights Without Opportunity to Cure), Franchisor shall have the right to terminate this Agreement upon written notice to Franchisee in the event Franchisee or any of its Owners (a) fails to comply with any provision of this Agreement, any Related Agreement, or any mandatory Standard (including any procedures or requirements set forth in the Manual or any Standard relating to image or customer service or treatment), and (b) does not correct such failure within (i) seven days after written notice of such failure to comply (which shall describe the action that Franchisee must take) is delivered to Franchisee if such failure relates to the use of any Mark or the payment of any monies due Franchisor, its Affiliates, or to any third party under this Agreement or any Related Agreement or (ii) 30 days after written notice of such failure to comply (which shall describe the action that Franchisee must take) is delivered to Franchisee if such failure relates to any other provision.

13.2 Termination of Agreement. If Franchisor, in its sole discretion, has given the written notice set forth in Section 13.1 of this Agreement and Franchisee fails to correct the alleged breach set forth in the notice within the period of time specified in Section 13.1 (Termination after Opportunity to Cure) of this Agreement, then this Agreement will automatically terminate on the first minute after 12:00 midnight on the 31st day or the 8th day, as applicable, after the date of the notice of breach, without any further action by Franchisor. At the sole discretion of Franchisor, a terminated franchisee may be reinstated.

13.3 Franchisor's Immediate Termination Rights without Opportunity to Cure. Franchisor will have the absolute right to terminate this Agreement effective upon delivery of notice of termination to Franchisee, if:

13.3.1 Franchisee or a Guarantor becomes insolvent by reason of Franchisee's or such Guarantor's inability to pay its debts as they become due or Franchisee or a Guarantor makes an assignment for the benefit of creditors or an admission of Franchisee's or a Guarantor's inability to pay its obligations as they become due;

13.3.2 Franchisee or a Guarantor files a voluntary petition in bankruptcy or any pleading seeking any reorganization, liquidation, dissolution or composition or other settlement with creditors under any Applicable Laws, or admits or fails to contest the material allegations of any such pleading, or is adjudicated as bankrupt or insolvent or a receiver or other custodian is appointed for a substantial part of the assets of Franchisee, a Guarantor, or the Franchised Business, or a final judgment remains unsatisfied or of record for 90 days or longer (unless supersedeas bond is filed), or if execution is levied against any substantial part of the assets of Franchisee, a Guarantor, or the Franchised Business or suit to foreclose any lien or mortgage is instituted against the Franchised Business and not dismissed within 90 days, or if the real or personal property of the Franchised Business is sold after levy of judgment thereupon by any sheriff, marshal or constable, or the claims of creditors of Franchisee, a Guarantor, or the Franchised Business are abated or subject to a moratorium under any Applicable Laws;

13.3.3 Franchisee has voluntarily or otherwise Abandoned (as defined in Section 28 (Definitions)) the Franchised Business;

13.3.4 Franchisee fails or refuses to permit Franchisor access to Franchisee's and/or the Franchised Business' financial information or refuses to produce financial or other business records to Franchisor for review and audit in accordance with this Agreement;

13.3.5 Franchisee on three or more occasions during any 12 consecutive month period fails or refuses to comply with the procedures or requirements set forth in the Manual or otherwise fails or refuses to comply with the Standards or this Agreement, including non-payment of sums due;

13.3.6 Franchisee is involved in any act or conduct or uses the Marks in any way which materially impairs the goodwill associated with the Marks or Franchisor's business operations and Franchisee fails to correct the breach within 24 hours of receipt of written notice from Franchisor of the specific breach;

13.3.7 Franchisee violates any law, ordinance, rule or regulation of a governmental agency in connection with the operation of the Franchised Business, and permits the same to go uncorrected after notification thereof, unless there is a bona fide dispute as to the violation, constitutionality, or legality of such law, ordinance, rule or regulation, and Franchisee promptly resorts to courts or forums of appropriate jurisdiction to contest such violation or legality;

13.3.8 Franchisee or any of its Owners is convicted of or pleads no contest to a felony, a crime involving moral turpitude or any other crime or offense that is likely to adversely affect the reputation of the Franchised Business and the goodwill associated with the Marks;

13.3.9 Franchisee fails to maintain or suffers cancellation of any insurance policy;

13.3.10 Franchisee or any Owner makes an unauthorized transfer of the Franchised Business, this Agreement, any ownership rights in Franchisee or any of Franchisee's rights under this Agreement without complying with all applicable provisions of this Agreement;

13.3.11 Franchisee makes an unauthorized grant of a security interest in Franchisee, the Franchised Business, or this Agreement (including any sale, grant or pledge of future receivables) without complying with all applicable provisions of this Agreement;

13.3.12 Franchisee or any Owner violates any of the covenants with respect to the Confidential Information in Section 8 (Confidential Information and Data Protection) and the non-compete covenants in Section 15 (Covenants);

13.3.13 Franchisee, its Owners, or its Affiliates default under any Related Agreement, provided that the default would permit the other party to terminate such agreement, regardless of whether such other party terminates such agreement; or

13.3.14 Franchisee fails to meet the Minimum Monthly Sales Requirement three or more times during any nine-month period (for the avoidance of doubt, each failure to meet the Minimum Monthly Sales Requirement in a given month shall be considered a separate material default).

13.4 Correction of Breach. For purposes of this Agreement, an alleged breach of this Agreement by Franchisee will be deemed to be "corrected" if both Franchisor and Franchisee agree in writing that the alleged breach has been corrected.

13.5 Other Remedies. Nothing in Section 13 (Termination of Franchise) precludes Franchisor from seeking other remedies or damages under Applicable Laws, this Agreement, or any Related Agreement. Upon the occurrence of any of the events that give rise to Franchisor's right to terminate this Agreement under Section 13, Franchisor may, at its sole option and upon delivery of written notice to Franchisee, elect to take any or all of the following actions without terminating this Agreement:

13.5.1 temporarily or permanently reduce the size of the Territory;

13.5.2 temporarily remove information concerning the Franchised Business from Franchisor's website and/or stop Franchisee's or its Franchised Business' participation in any other programs or benefits offered on or through Franchisor's Website;

13.5.3 suspend Franchisee's right to participate in one or more programs or benefits that the Ad Fund provides;

13.5.4 refuse to provide any operational support that this Agreement requires or that Franchisor has elected to provide or suspend any other services that Franchisor or its Affiliates provide to Franchisee under this Agreement or any Related Agreement;

13.5.5 require the temporary closure of the Franchised Business until any defaults are cured and any underlying causes for such defaults are adequately addressed to the satisfaction of Franchisor;

13.5.6 suspend or terminate any temporary or permanent fee reductions to which Franchisor might have agreed (whether as a policy, in an amendment to this Agreement, or otherwise); ~~and/or~~

13.5.7 convert Territory Accounts to National Accounts and require Franchisee to assign related customer agreements to Franchisor or its designee, or terminate such agreements, without payment of any consideration to Franchisee. Franchisee will remain solely responsible to customers or third parties for any liabilities related to acts or omissions that occurred prior to the date of assignment or termination of such customer agreements;

13.5.8 suspend or terminate Franchisee's participation in any Optional Programs; and/or

13.5.9 ~~13.5.7~~ undertake or perform on Franchisee's behalf any obligation or duty that Franchisee is required to, but fails to, perform under this Agreement. Franchisee must reimburse Franchisor upon demand for up to 120% of the actual costs and expenses that Franchisor and its Affiliates incur in performing any such obligation or duty.

13.6 Exercise of Other Remedies. Franchisor's exercise of its rights under Section 13.5 (Other Remedies) will not (i) be a defense for Franchisee to Franchisor's enforcement of any other provision of this Agreement or waive or release Franchisee from any of its other obligations under this Agreement, (ii) constitute an actual or constructive termination of this Agreement, or (iii) be Franchisor's sole or exclusive remedy for Franchisee's default. Franchisee must continue to pay all fees and otherwise comply with all of its obligations under this Agreement following Franchisor's exercise of any of these rights. If Franchisor exercises any of its rights under Section 13.5, Franchisor may thereafter terminate this Agreement without providing Franchisee any additional corrective or cure period, unless the default giving rise to Franchisor's right to terminate this Agreement has been cured to Franchisor's reasonable satisfaction.

14. OBLIGATIONS UPON TERMINATION

Upon termination or expiration, this Agreement and all rights granted to Franchisee under this Agreement shall immediately terminate, and:

14.1 Association with System. Franchisee shall immediately cease to perform any services or use, by advertising or in any manner whatsoever, any format, methods, procedures and techniques associated with the System.

14.2 Removal of Name. Franchisee's name shall be withdrawn from all published lists of persons and entities licensed to perform services associated with the System and Franchisee shall not hold itself out to the public as a present or former franchisee of Franchisor.

14.3 Use of Marks. Franchisee will (i) cease and terminate all use of the Marks and the word "ServiceMaster", in any manner whatsoever, or any colorable imitation thereof, including identification on vehicles and equipment; and (ii) take all steps necessary to disassociate itself from the Marks and the System, such as the withdrawal of all advertising materials, the destruction of all letterheads, and the removal of all signs and any other articles which display the Marks and the trade dress associated with the Marks, including the removal of all distinctive colors, designs and decals from all aspects of the premises where Franchisee conducted the Franchised Business.

14.4 Transfer of Identifiers and Accounts. Following termination or expiration of this Agreement, Franchisee and it Owners must, in accordance with Franchisor's directions, cancel or transfer to Franchisor or its designee (or cause an Affiliate or third party to cancel or transfer to Franchisor or its designee) all authorized and unauthorized domain names, social media accounts, websites (including accounts used to access websites, including vlogs, blogs, wikis, forums, content sharing communities, and other sites), email accounts, telephone numbers, post office boxes, and classified and other directory listings relating to, or used in connection with, the Franchised Business or the Marks (collectively, **"Identifiers"**) and provide Franchisor with all information necessary to allow Franchisor or its designee to access Franchisee's accounts for such Identifiers, including usernames, passwords, and security codes. Franchisee acknowledges that Franchisor or its Affiliates have the sole rights to, and interest in, all Identifiers. If Franchisee fails to comply with this Section, Franchisee hereby authorizes Franchisor, and irrevocably appoints Franchisor, as Franchisee's attorney-in-fact to direct the telephone company, postal service, registrar, Internet Service Provider, social media company, listing agencies, or other providers to transfer such Identifiers to Franchisor or its designee. The telephone company, the postal service, registrars, Internet Service Providers social media companies, listing agencies, and other providers may accept such direction by Franchisor pursuant to this Agreement as conclusive evidence of Franchisor's exclusive rights in such Identifiers and its authority to direct their transfer. Any amounts owing by Franchisee related to such Identifiers shall be paid immediately by Franchisee.

~~14.5 Return of Manual. Franchisee will immediately return to Franchisor all copies of the Manual or bulletins which have been loaned to Franchisee by Franchisor and cease use of the Manual that have been provided to Franchisee electronically. Franchisee must certify, in a form prescribed by Franchisor, that it has destroyed or returned to Franchisor all Confidential Information and all copies thereof in any format or medium, including paper and electronic files.~~

14.5 Assignment of Customer Agreements. Within 10 days of the termination or expiration of this Agreement, Franchisee must provide Franchisor with copies of all customer agreements with Territory Accounts that are in effect as of the date of termination or expiration. Upon Franchisor's direction, Franchisee must (a) assign certain or all such customer agreements to Franchisor or its designee or (b) terminate certain or all customer agreements. Franchisee will remain solely responsible to customers or third parties for any liabilities related to acts or omissions that occurred prior to the date of assignment or termination. Franchisee will not be entitled to any consideration for the assignment of such agreements to Franchisor or its designee or the termination of such agreements.

14.6 Unfair Competition. Franchisee agrees, in the event it continues to operate or subsequently begins to operate another non-competitive business, not to use any reproduction, counterfeit, copy or colorable imitation of the Marks or the System either in connection with the operation or the promotion of such other business which is likely to cause confusion, mistake or deception, or which is likely to dilute Franchisor's exclusive rights in and to the Marks and the System, and further agrees not to utilize any trade dress or designation of origin or description or representation which falsely suggests or represents an association or connection with Franchisor so as to constitute unfair competition.

14.7 Return or Destruction of Materials. Franchisee shall immediately return to Franchisor: (i) all hard copies and electronic copies (capable of being returned) of the Confidential Information, including the Manuals, and of materials bearing the Marks; and (ii) all other manuals, records, files, instructions, correspondence, and other materials relating to the operation of the Franchised Business (**"Other Materials"**) in the possession of Franchisee, its Owners, or related parties. If Franchisee or its Owners have on their computer systems, e-mail accounts, or other digital storage systems or services copies of the

Confidential Information, any proprietary software, and/or Other Materials, they must immediately erase these copies. Franchisee must provide Franchisor with a certification attesting to the fact that all copies of the Confidential Information, proprietary software, and Other Materials in Franchisee's control or the control of its officers, directors, Owners, employees, agents, and representatives have been returned or destroyed in accordance with this Section.

14.8 Cancellation of Assumed Name Registration. Upon the termination or the expiration of this Agreement, Franchisee shall take such action as shall be necessary to cancel any assumed name or equivalent registration which contains the word "ServiceMaster" or any other Marks and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within 30 days after termination or expiration of this Agreement.

14.9 Option to Purchase.

14.9.1 Exercise of Option. Franchisor shall have the right (but not the duty), to be exercised by notice ("**Option Notice**") of its intent to do so within 60 days after termination, non-renewal, or expiration of this Agreement, to purchase from Franchisee (a) all equipment, fixtures, signs, vehicles, products, supplies, and materials used in the operation of the Franchised Business, (b) any advertising material, inventory, or other items bearing the Marks, and (c) any real estate owned by a Franchisee Related Party and used in the operation of the Franchised Business (collectively, the "**Purchased Assets**") at fair market value. If a Franchisee Related Party owns any real estate used in the operation of the Franchised Business, Franchisor may elect to include a fee simple interest in such site as part of the Purchased Assets or, at its option, lease such site from the Franchisee Related Party for an initial ten-year term with one renewal term of five years (at Franchisor's option) on commercially reasonable terms, which shall include the right to sublease the site to another party. If a Franchisee Related Party leases a site used in the operation of the Franchised Business from an unaffiliated lessor, Franchisee shall (at Franchisor's option) cause the Franchisee Related Party to coordinate with the landlord to assign such lease to Franchisor (or its designee) or to enter into a sublease for the remainder of the lease term on the same terms (including renewal options) as the lease. Franchisee and its Owners agree to cause its Affiliates or any entity controlled by such Owners to comply with these requirements. In the 60-day period after termination, non-renewal, or expiration, Franchisee must provide Franchisor with any documents, financial statements, pictures, and other information that Franchisor reasonably requires, and allow Franchisor to inspect the Franchised Business and its assets, so that Franchisor can determine whether to exercise its option. Franchisor has the unrestricted right to exclude any assets or leases Franchisor specifies relating to the Franchised Business from the Purchased Assets and not acquire them. Franchisor may, upon written notice to Franchisee, assign or delegate its option hereunder to a third party or Affiliate, in which case such party shall have all of the rights of Franchisor specified in Section 14.9 (Option to Purchase).

14.9.2 Purchase Price. The parties shall have 15 days after the date of the Option Notice to agree upon such fair market value, and, if they cannot agree, an independent third-party appraiser experienced in valuing businesses of this kind shall be appointed by mutual agreement of Franchisor and Franchisee. If the parties cannot agree on an appraiser within 20 days of the Option Notice, Franchisor shall appoint an independent appraiser of its choosing who shall then determine the fair market value within 30 days after the date such appraiser's appointment, and Franchisee will reimburse Franchisor for half of the cost of such appraisal. If Franchisee disagrees with such appraiser's determination of fair market value, within 15 days of its receipt of such appraisal, it may appoint, at Franchisee's sole expense, an appraiser experienced in valuing businesses of this kind, and the two appraisers together shall appoint a third such appraiser, whose services shall be paid for by Franchisee, each of which shall determine the fair market value. In such event, for purposes of Section 14.9 (Option to Purchase), "**fair market value**" shall be the average of the two such closest appraisals and that determination shall be final and binding on the parties.

14.9.3 Closing. Franchisor is entitled to all customary representations, warranties, and indemnities related to the Purchased Assets, including representations and warranties as to ownership and condition of, and title to, assets, liens and encumbrances on assets, validity of contracts and agreements, and liabilities affecting the assets, contingent or otherwise, and indemnities for all actions, events and conditions that existed or occurred in connection with the Franchised Business prior to the closing of Franchisor's purchase. At the closing, Franchisee agrees to deliver instruments transferring to Franchisor: (i) good and merchantable title to the Purchased Assets free and clear of all liens and encumbrances (other than liens and security interests acceptable to Franchisor), with all sales and transfer taxes paid by Franchisee; (ii) any premises where Franchisee operated the Franchised Business, in Franchisor's discretion, which if executed, then such premises shall be free and clear of all liens and encumbrances (other than liens and security interests acceptable to Franchisor); and (iii) all of the Franchised Business' licenses and permits which may be assigned or transferred. If Franchisee cannot deliver clear title to all of the Purchased Assets purchased hereunder, or if there are other unresolved issues, the sale will be closed through an escrow. If Franchisor elects to exercise any option to purchase herein provided, it shall have the right to off-set all liquidated and undisputed amounts due Franchisor or any of its Affiliates from Franchisee under this Agreement or any Related Agreement against any such payment. Franchisee and its Owners further agree, subject to Applicable Laws, to sign General Releases.

14.10 Compliance with Covenants. Franchisee shall comply with the covenants contained in Section 15 (Covenants) and any other provisions of this Agreement with obligations that continue beyond the expiration or termination of this Agreement.

14.11 Payment of Obligations. Franchisee must pay all Operating Fees and all amounts of any kind owed to Franchisor and/or any Affiliate, within seven days after (a) such termination or expiration or (b) from a later date when the amounts due can be determined. Franchisor's remedies will include (but are not limited to) the right to collect the present value of these amounts, as well as to accelerate the balances of any promissory notes owed and to receive any other unpaid amounts owed to Franchisor or any Affiliate of Franchisor.

14.12 Liquidated Damages.

14.12.1 Calculation of Liquidated Damages. Franchisor and Franchisee agree that it would be commercially unreasonable and damaging to the integrity of the System if a Franchisee could default and then avoid the financial consequences of its contractual commitment to meet payment obligations for the Term of this Agreement. If Franchisor terminates this Agreement based upon Franchisee's default (or if Franchisee purports to terminate this Agreement), then, within seven days thereafter, Franchisee shall pay to Franchisor a lump sum (as liquidated damages for the loss of the benefit of the bargain that Franchisor is entitled to receive and not as a penalty) calculated as follows: (x) the average monthly Royalties and Ad Fund Contributions that Franchisee owed to Franchisor under this Agreement for the 12-month period preceding the date on which Franchisee ceased operating the Franchised Business (disregarding any fee waivers or reductions granted to Franchisee); multiplied by (y) the lesser of (i) 24 or (ii) the number of months remaining in the then-current term of this Agreement. If Franchisee has not operated the Franchised Business for at least 12 months, then (x) will equal the average monthly Royalties and Ad Fund Contributions that Franchisee owed to Franchisor during the period that Franchisee operated the Franchised Business. The "average monthly Royalties and Ad Fund Contributions that Franchisee owed to Franchisor" shall not be discounted or adjusted due to any deferred or reduced Royalties and Ad Fund Contributions set forth in a policy, other writing, or an addendum to this Agreement, unless Section 14.12 (Liquidated Damages) is specifically amended in a signed addendum.

14.12.2 Interpretation of Liquidated Damages. Franchisee agrees, and Franchisee directs any party construing this Agreement to conclusively presume, that the damages stated in Section 14.12.1 (Calculation of Liquidated Damages): (i) are true liquidated damages; (ii) are intended to compensate Franchisor for the harm Franchisor will suffer; (iii) are not a penalty; (iv) are a reasonable estimate of Franchisor's probable loss resulting from Franchisee's defaults, viewed as of the termination date; and (v) will be in addition to all other rights Franchisor has to obtain legal or equitable relief or remedies. If any valid law or regulation governing this Agreement limits Franchisee's obligation to pay, and/or Franchisor's right to receive, the liquidated damages for which Franchisee is obligated under Section 14.12.1, then Franchisee shall be liable to Franchisor for any and all damages Franchisor incurs, now or in the future, as a result of Franchisee's breach of this Agreement.

15. COVENANTS

15.1 Best Efforts. Franchisee covenants that during the Term of this Agreement except as otherwise approved in writing by Franchisor, Franchisee and its Owners, officers, and managers shall devote their full-time energy and best efforts to the management and operation of the Franchised Business.

15.2 In-Term Covenant Not to Compete. Franchisee, its Owners, and Franchisee's or any Owners' spouses who are in any way involved in the operation of the Franchised Business (the "**Covenanting Parties**") shall not, during the Term, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or other entity:

15.2.1 Own, manage, engage in, be employed by, advise, make loans to, lease or sublease space to, or have any other interest in any Competing Business anywhere (including inside and outside the Territory); provided, however, that this provision shall not apply to any ownership of Franchisee or an Owner of less than 1% of the outstanding equity securities of any publicly held corporation or of less than 5% of an investment fund which owns an interest in a Competing Business;

15.2.2 Divert or attempt to divert any business or customer of the Franchised Business to any Competing Business, by direct or indirect inducement or otherwise;

15.2.3 Perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System; or

15.2.4 Use any vendor relationship established through Franchisee's association with Franchisor for any purpose other than to purchase products or equipment for use in the Franchised Business.

15.3 Post-Term Covenant Not to Compete. For a period of one year after the earlier to occur of the expiration or termination of this Agreement, regardless of the cause of termination, the Covenanting Parties will be subject to the same restrictions as in Section 15.2 (In-Term Covenant Not to Compete) of this Agreement, except that the restrictions contained in Sections 15.2.1 and 15.2.2 of this Agreement shall be limited during the post-term period to within the Territory and a 25-mile radius from the borders of such Territory. Notwithstanding any other provision of this Agreement, the running of the non-compete period will be tolled for the period that any Covenanting Party fails to comply with the non-compete obligations in this Section 15.3, provided that Franchisor commences legal action to enforce this provision within the one-year non-compete period.

15.4 Enforcement of Noncompetes. The Covenanting Parties acknowledge and agree that (i) the time, territory, and scope of the covenants provided in Section 15 (Covenants) are reasonable and necessary for the protection of Franchisor's legitimate business interests; (ii) Franchisee has received sufficient and valid consideration in exchange for those covenants; (iii) enforcement of the same would not impose undue hardship; and (iv) the period of protection provided by these covenants will not be reduced by any period of time during which the Covenanting Parties are in violation of the provisions of those covenants or any period of time required for enforcement of those covenants. To the extent that Section 15 is judicially determined to be unenforceable by virtue of its scope or in terms of area or length of time but may be made enforceable by reductions of any or all thereof, the same will be enforced to the fullest extent permissible. Each Covenanting Party agrees that the existence of any claim it may have against Franchisor, whether or not arising from this Agreement, will not constitute a defense to Franchisor's enforcement of the covenants contained in Section 15. Franchisee acknowledges that any breach or threatened breach of Section 15 will cause Franchisor irreparable injury for which no adequate remedy at law is available, and Franchisee consents to the issuance of an injunction prohibiting any conduct violating the terms of Section 15. Such injunctive relief will be in addition to any other remedies that Franchisor may have.

15.5 Binding Other Covenanting Parties. Each Covenanting Party other than Franchisee shall bind themselves to the noncompete provisions in Section 15 (Covenants) by signing, as applicable, the Franchisor's then-current form of Guaranty (if such Owner directly or indirectly holds a 15% or greater ownership interest in Franchisee's entity) or a noncompete agreement prescribed by Franchisor.

15.6 Franchisee May Not Withhold Payments. Franchisee shall not withhold any payments whatsoever due to Franchisor. No endorsement or statement on any check or payment of any sum less than the full sum due to Franchisor shall be construed as an acknowledgment of payment in full or an accord and satisfaction, and Franchisor may accept and cash such check or payment without prejudice to its right to recover the balance due or pursue any other remedy provided herein or by law.

16. TAXES

16.1 Taxes. Franchisee shall promptly pay when due all taxes levied or assessed including unemployment and sales taxes incurred by Franchisee in the conduct of the Franchised Business.

16.2 Disputed Taxes. In the event of any bona fide dispute as to liability for taxes assessed or other indebtedness, Franchisee may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or Applicable Laws; however, in no event shall Franchisee permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor, to occur against the premises of the Franchised Business, or any improvements to its office or other business premises.

17. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

17.1 Independent Contractor. It is understood and agreed by the parties to this Agreement that this Agreement does not create a fiduciary relationship between them, that Franchisee shall be an independent contractor, and that nothing in this Agreement is intended to constitute either party as an agent, legal representative, subsidiary, joint venture, partner, employee or servant of the other for any purpose whatsoever. Franchisee shall have the right to profit from its efforts, commensurate with its status as owner of its business, and correspondingly to bear the risk of loss or failure that is characteristic of this status, notwithstanding the affiliation with Franchisor created by this Agreement. Nothing in this Agreement is intended to create a joint employer relationship between the parties, it being expressly understood that any personnel policies or procedures, forms, guidance, training materials, or other employment-related materials or information offered by Franchisor is provided solely for Franchisee's convenience. Franchisee's use of such information is completely optional and should not be construed as any intent or right to control Franchisee's operations, personnel decisions, or relationship with its employees. Franchisee is expressly advised to consult its own independent counsel for labor and employment advice.

17.2 Notification of Public. During the Term, Franchisee shall hold itself out to the public as an independent contractor operating the Franchised Business pursuant to a license from Franchisor. Franchisee agrees to take such affirmative action as may be necessary to do so, as Franchisor may specify in the Manual or otherwise in writing.

17.3 Indemnification. From and after the Effective Date, Franchisee and Owners, jointly and severally, shall indemnify Franchisor and its Affiliates and their respective officers, directors, stockholders, members, managers, partners, employees, agents, attorneys, contractors, legal predecessors, legal successors, and assigns of each of the forgoing entities/individuals (in their corporate and individual capacities) (collectively, all such individuals and entities are referred to herein as the "**Franchisor**

Indemnitees") and hold Franchisor Indemnitees harmless to the fullest extent permitted by Applicable Laws, from any and all Losses and Expenses incurred in connection with any litigation or other form of adjudicatory procedure, claim, demand, investigation, or formal or informal inquiry (regardless of whether it is reduced to judgment) or any settlement thereof which arises directly or indirectly from, or as a result of, a claim of a third party in connection with the selection, development, ownership, operation or closing of the Franchised Business including any customer complaint or the failure of Franchisee to perform any covenant or agreement under this Agreement or any activities of Franchisee on or after the Effective Date, or any claims by any employee of Franchisee arising out of or relating to his or her employment with Franchisee (collectively "**Event**"), and regardless of whether it resulted from any strict or vicarious liability imposed by law on Franchisor Indemnitees, provided, however, that this indemnity will not apply to any liability arising from a breach of this Agreement by any of Franchisor Indemnitees or the gross negligence or willful acts of any of Franchisor Indemnitees (except to the extent that joint liability is involved, in which event the indemnification provided herein will extend to any finding of comparative or contributory negligence attributable to Franchisee).

17.3.1 Promptly after the receipt by any Franchisor Indemnitee of notice of the commencement of any action against such Franchisor Indemnitee by a third party (such action, a "**Third-Party Claim**"), Franchisor Indemnitee will, if a claim with respect thereto is to be made for indemnification pursuant to Section 17.3 (Indemnification), give a claim notice to Franchisee with respect to such Third-Party Claim. No delay or failure on the part of Franchisor Indemnitee in so notifying Franchisee will limit any liability or obligation for indemnification pursuant to Section 17.3, except to the extent of any material prejudice to Franchisee with respect to such claim caused by or arising out of such delay or failure. Franchisor will have the right to assume control of the defense of such Third-Party Claim, and Franchisee and its Owners will be responsible for the costs incurred in connection with the defense of such Third-Party Claim, with counsel of Franchisee and its insurer's choice. Franchisee's counsel must be reasonably acceptable to Franchisor. Franchisee and its Owners will furnish Franchisor with such information as it may have with respect to such Third-Party Claim (including copies of any summons, complaint or other pleading which may have been served on such party and any written claim, demand, invoice, billing or other document evidencing or asserting the same) and will otherwise cooperate with and assist Franchisor in the defense of such Third-Party Claim. The fees and expenses of counsel incurred by Franchisor will be considered Losses and Expenses for purposes of this Agreement. Franchisor may, as it deems necessary and appropriate, take such actions to take remedial or corrective action with respect thereof as may be, in Franchisor's reasonable discretion, necessary for the protection of Franchisor Indemnitees or other Franchised Businesses generally. Franchisor will not agree to any settlement of, or the entry of any judgment arising from, any Third-Party Claim without the prior written consent of Franchisee and its Owners, which will not be unreasonably withheld, conditioned or delayed. Any settlement or compromise of any Third-Party Claim must include a written release from liability of such claim for all Franchisor Indemnitees.

18. APPROVALS, WAIVERS, AND FORCE MAJEURE

18.1 Written Approval. Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor, and such approval or consent shall be obtained in writing.

18.2 No Waiver. No failure of either party to execute any power reserved to it by this Agreement, or to insist upon strict compliance by the other party with any obligation or condition under this Agreement, and no custom or practice of the parties at variance with the terms of this Agreement, shall constitute a waiver of the right to demand exact compliance with any of the terms of this Agreement. Waiver by one party of any particular default by the other party shall not affect or impair the rights with respect to any subsequent default of the same, similar or different nature, nor shall any delay, forbearance or omission to exercise any power or right arising out of any breach or default by the other party of any of the terms, provisions or covenants of this Agreement, affect or impair the right to exercise the same, nor shall such constitute a waiver of any right under this Agreement, or the right to declare any subsequent breach or default. Subsequent acceptance by Franchisor of any payments due to it shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, covenants or conditions of this Agreement.

18.3 Force Majeure. Neither Franchisor nor Franchisee will be liable for loss or damage to the other, or be in breach of, this Agreement if Franchisor's or Franchisee's failure to perform their respective obligations results from: (a) compliance with the orders, requests, regulations, or recommendations of any federal, state, or municipal government; (b) acts of God; (c) strikes or lock-outs; (d) fires, embargoes, insurrection, war, acts of terrorism or similar events, or riots; (e) epidemic, pandemic, or mass casualty event; or (f) any other similar event or cause beyond the reasonable control of either party or their Affiliates (a "**Force Majeure Event**"). Any delay resulting from a Force Majeure Event will extend performance or excuse performance, in whole or in part, as may be reasonable, except that a Force Majeure Event will not excuse payments of amounts owed at the time of the Force Majeure Event or payment of Operating Fees or other amounts due Franchisor.

19. NOTICES

Any notice required or permitted to be given under this Agreement shall be in writing and may be given by personal service, by depositing a copy of the notice in certified or registered mail, with postage fully prepaid, or by overnight express courier in a sealed envelope addressed to the address of Franchisee as set forth in the introductory portion of this Agreement, if notice is to be given to Franchisee. Notice to Franchisor shall be addressed to Franchisor's Vice President of Operations at ServiceMaster Clean/Restore SPE LLC, One Glenlake Parkway, 14th Floor, Atlanta, Georgia 30328, if such notice is to be given to Franchisor. The address given in this Agreement for the service of notice may be changed at any time by either party through written notice to be given to the other as provided in the Manual or otherwise in writing. Notice shall be deemed given when mailed to the designated address of Franchisor or Franchisee.

20. CONSTRUCTION AND INTERPRETATION

20.1 Construction and Interpretation. All references in this Agreement in the singular shall be construed to include the plural where applicable, and all covenants, agreements and obligations assumed by Franchisee pursuant to this Agreement shall be deemed to be joint and several covenants, agreements and obligations of the several persons named herein as Franchisee. If Franchisee is a corporation, limited liability company or other legal entity, all covenants, agreements and obligations in this Agreement will apply to the Owners in Franchisee. All captions in the Agreement are intended solely for the convenience of the parties and shall not be deemed to affect the meaning or construction of any provision of this Agreement. The words "**include**," "**including**," and words of similar import shall be interpreted to mean "including, but not limited to" and the terms following such words shall be interpreted as examples of, and not an exhaustive list of, the appropriate subject matter.

20.2 Franchisor's Sole Discretion and Business Judgment. Franchisee understands and acknowledges that it is entering into a long-term relationship to become part of Franchisor's franchise network and that competitive and other relevant business conditions may change during the Term. Franchisee agrees that Franchisor has the right to operate, develop, and change the System and its business in any manner that is not specifically prohibited by this Agreement. Whenever Franchisor has reserved in this Agreement, or is deemed to have, a right to take or to withhold an action, or to grant or decline to grant Franchisee a right to take or omit an action, Franchisor may make such decision or exercise its right and/or discretion on the basis of Franchisor's judgment of what is in Franchisor's best interests, including Franchisor's judgment of what is in the best interests of the franchise network and System, at the time Franchisor's decision is made or its right or discretion is exercised, without regard to whether: (a) other reasonable alternative decisions or actions, could have been made by Franchisor; (b) Franchisor's decision or the action it takes applies differently to Franchisee and one or more other franchisees or Franchisor's company-owned or Affiliate-owned operations; or (c) Franchisor's decision or the exercise of its right or discretion is adverse to Franchisee's interests. In the absence of an applicable statute, Franchisor will have no liability to Franchisee for any such decision or action. Franchisor and Franchisee intend that the exercise of Franchisor's right or discretion will not be subject to limitation or review. If Applicable Laws imply a covenant of good faith and fair dealing in this Agreement, Franchisor and Franchisee agree that such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants Franchisor the right to make decisions, take actions, and/or refrain from taking actions that are not inconsistent with Franchisee's rights and obligations under this Agreement.

20.3 Survival. Each provision of this Agreement that expressly or by reasonable implication is to be performed, in whole or in part, after the expiration, termination, or Transfer of this Agreement will survive such expiration, termination, or Transfer, including Sections 6 (Intellectual Property), 8 (Confidential Information and Data Protection), 12 (Noncompete Covenants), 14 (Obligations Upon Termination), 15 (Covenants), 17 (Independent Contractor and Indemnification), 24 (Dispute Resolution), and 25 (Governing Law).

21. ENTIRE AGREEMENT; AMENDMENTS

21.1 Entire Agreement. This Agreement and all exhibits to this Agreement constitute the entire agreement between the Franchisor and Franchisee with respect to the subject matter of this Agreement and supersede any and all prior negotiations, understandings, representations, and agreements concerning the subject matter. This Agreement includes the terms and conditions on Exhibit A, which are incorporated into this Agreement by this reference. To the extent that any provisions of Exhibit A are in direct conflict with the provisions of this Agreement, the provisions of Exhibit A shall control. Nothing in this or in any Related Agreement, however, is intended to disclaim the representations Franchisor made in the franchise disclosure document that Franchisor furnished to Franchisee.

21.2 Amendments. Any amendment or modification of this Agreement is invalid unless made in writing and signed by the parties.

21.3 No Other Representations. Franchisee acknowledges that neither Franchisor nor anyone on behalf of Franchisor, has made any representations, inducements, promises or agreements, orally or otherwise, regarding the subject matter of this Agreement which are not embodied in this Agreement, and that no other representations induced Franchisee to execute this Agreement.

22. EXECUTION IN COUNTERPARTS

This Agreement may be executed in two or more counterparts, each of which will be deemed an original, and all of which will constitute one and the same instrument.

23. SEVERABILITY

23.1 Provisions Severable. Except as expressly provided to the contrary in this Agreement, each section, part, term and/or provision of this Agreement shall be considered severable; and if, for any reason, any section, part, term and/or provision of this Agreement is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms and/or provisions of this Agreement as may remain otherwise intelligible, and the latter shall continue to be given full force and effect and bind the parties to this Agreement; and the invalid sections, parts, terms and/or provisions shall be deemed not to be a part of this Agreement.

23.2 Unenforceable Provisions. In addition to Franchisee's covenants under Section 15

(Covenants) of this Agreement, Franchisee expressly agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions of this Agreement any portions which a court may hold to be unreasonable and unenforceable in a final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

23.3 Applicability Only to Parties. Notwithstanding anything to the contrary in this Agreement, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisor or Franchisee and their respective successors and assigns as may be contemplated by Section 12 (Assignment) of this Agreement, any rights or remedies under or by reason of this Agreement.

24. DISPUTE RESOLUTION

24.1 Alternative Dispute Resolution Procedure. Except as otherwise provided in Section 24.2 (Excepted Disputes), any claim, dispute, suit, action, controversy, or proceeding of any type whatsoever between (i) any Franchisee Related Parties (as defined in Section 28 (Definitions)) and (ii) any Franchisor Related Parties (as defined in Section 28 (Definitions)) relating to (a) this Agreement, (b) the relationship of any of Franchisor Related Parties with any of Franchisee Related Parties, or (c) the Franchised Business, including disputes related to compliance with franchise, labor, or employment laws (collectively, (a) through (c), the "**Covered Disputes**") must be resolved in accordance with the alternative dispute resolution procedures described in this Section 24.1. The Franchisee Related Parties and any Franchisor Related Parties shall all be considered third-party beneficiaries of this Section 24 (Dispute Resolution) only and shall be included in the term "parties" or "party" in Section 24 (Dispute Resolution).

24.1.1 Informal Negotiation. To initiate the dispute resolution process, the party alleging a Covered Dispute must provide the other party with written notice setting forth the factual and legal basis for the alleged Covered Dispute in detail and requesting a meeting (the "**Dispute Notice**"). Each Covered Dispute must be discussed in a face-to-face meeting or, upon agreement of the parties, in a video or telephone conference call held within 30 days after such Dispute Notice is provided to the other party. Unless otherwise agreed by the parties, the party initiating the process must wait at least 30 days after the Dispute Notice has been delivered to the other party before submitting the dispute to mediation.

24.1.2 Mediation. If the Covered Dispute is not resolved informally as provided in Section 24.1.1 (Informal Negotiation), the party alleging the Covered Dispute must submit the Covered Dispute for non-binding mediation. All parties must attend and participate in the mediation with a representative having authority to resolve the Covered Dispute. The mediation shall be governed by the rules of the American Arbitration Association (the "**AAA**") before one mediator selected by the parties, and if the parties cannot agree upon the mediator, then a mediator selected by the AAA. It is the intent of the parties that mediation shall be held not later than 30 days after a written request for mediation shall have been served on the other parties, unless the parties agree otherwise. The mediation shall be held in the metropolitan area of Franchisor's then-current principal place of business (currently, Atlanta, Georgia) and shall not last more than one day, unless the parties agree otherwise. The parties will split equally the cost of any mediation. Any party may be represented by counsel and may bring persons appropriate to the proceeding.

24.1.3 Arbitration. If the parties do not resolve the Covered Dispute after the conclusion of the mediation, such Covered Dispute must be subject to and resolved exclusively by binding arbitration. **This means that all Covered Disputes that either party would otherwise have the legal right to sue for in court shall be subject to final and binding arbitration under the arbitration provisions set forth in this Section 24.1.3 and not decided by a court or a jury.** If there are any ambiguities in the terms or conditions of this Section 24, it is the parties' intent that all ambiguities be resolved in favor of arbitration. For the purposes of this Section 24.1.3, Covered Disputes will not include disputes that an applicable federal statute provides cannot be arbitrated or cannot be subject to a pre-dispute agreement to arbitrate.

24.1.3.1Arbitration Procedure. Either party may commence arbitration by sending written demand for arbitration to the other party and filing the same with the AAA. The arbitration proceeding shall be presided over and decided by a single arbitrator if neither party seeks relief exceeding $1,000,000 in total, inclusive of any claims for attorneys' fees, costs, and other expenses of the proceeding (excluding arbitrators' fees). Alternatively, if either party seeks relief exceeding $1,000,000 in total, inclusive of any claims for attorneys' fees, costs, and other expenses of the proceeding (excluding arbitrators' fees), the arbitration proceeding shall be presided over and decided by a panel of three arbitrators. In either event, the arbitrator(s) shall be selected under the procedures of the AAA then in effect at the time of filing the arbitration demand, with the single arbitrator or at least one of the panel arbitrators, as the case may be, who have primarily practiced franchise law for at least five years. The arbitration proceeding shall be conducted in accordance with the then-current Commercial Arbitration Rules of the AAA. All arbitration proceedings will be held at the offices of the AAA or other suitable offices that Franchisor selects in the metropolitan area in which its principal place of business is then located (currently, Atlanta, Georgia). The arbitrator shall have no authority to select a different hearing locale. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.).

24.1.3.2Scope. The arbitrator (and not a court) shall decide all issues with respect to any Covered Dispute, including issues regarding the non-availability of class arbitration, timeliness, arbitration procedures, statute of limitations, and all other issues regarding the application, interpretation, enforceability, coverage, and implementation of Section 24.1.3, including whether the parties have entered into this Agreement. In accordance with Section 24.5 (Mutual Waiver of Class or Collective Actions), the arbitrator shall have no authority to consider or resolve any claim or issue in a Covered Dispute on any basis other than on an individual basis and may not consolidate or join one or more Covered Disputes pertaining to Franchisee or another Franchisee Related Party with any other dispute(s).

24.1.3.3Relief. The arbitrator shall have the power and authority in a Covered Dispute to award any remedy or relief available under Applicable Laws, including actual damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs (in accordance with Section 24.10 (Enforcement Expenses)), except the arbitrator may not (a) declare any Mark generic or otherwise invalid or (b) award any indirect, special, consequential, exemplary, lost profit (excluding liquidated damages as detailed in Section 14.12 (Liquidated Damages)), or punitive damages against either party, except as expressly provided in Section 24.4 (Mutual Limitation of Liability and Waiver of Punitive Damages). If the arbitration is presided by a single arbitrator, notwithstanding anything to the contrary in this Agreement, the arbitrator may not grant any party monetary relief exceeding $1,000,000 in total, inclusive of any claims for attorneys' fees, costs, and other expenses of the proceeding (excluding arbitrators' fees).

24.1.3.4Binding Decision. The arbitrator or arbitration panel shall issue a reasoned award. The decision and award of the arbitrator will be final, conclusive, and binding on all parties regarding any claims, counterclaims, issues, or accountings presented or pled to the arbitrator, and judgment on the award, including any partial, temporary or interim award, may be entered in any court of competent jurisdiction (and such proceeding shall not itself be deemed a Covered Dispute).

24.1.3.5Confidentiality. All evidence, testimony, records, documents and information disclosed in any arbitration hearing between the parties will be secret and confidential in all respects. Neither party will disclose any evidence, testimony, records, documents or information from any arbitration hearing to any other person or entity except the party's attorney or as required or expressly permitted by Applicable Laws.

24.2 Exceptions to Alternative Dispute Resolution.

24.2.1 Excepted Disputes. Unless Franchisor consents in writing otherwise, the following disputes, including Covered Disputes, will not be subject to or resolved through the informal negotiation, non-binding mediation, and binding arbitration procedures specified in Section 24.1 (Alternative Dispute Resolution Procedure) and will instead be resolved through litigation: (a) disputes relating to Franchisee's use of the Marks (including Lanham Act or common law claims); (b) disputes that otherwise relate to the ownership or validity of any of Franchisor's intellectual property or the enforcement of Franchisor's intellectual property rights; (c) disputes that involve protection of Franchisor's Confidential Information; (d) disputes related to the enforcement of Section 15 (Covenants); and (e) disputes related to the payment of sums that any of the Franchisee Related Parties owes to any of the Franchisor Related Parties (collectively, "**Excepted Disputes**"). The parties acknowledge and agree that any dispute or challenge as to whether a claim qualifies as an Excepted Dispute shall be determined by a court and not in arbitration.

24.2.2 Injunctive Relief. Notwithstanding the parties' agreement to resolve Covered Disputes through the informal negotiation, non-binding mediation, and binding arbitration procedures specified in Section 24.1 (Alternative Dispute Resolution Procedure), either party will have the right to seek temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction to obtain interim relief when deemed necessary by such court to preserve the status quo or prevent irreparable injury pending resolution of the actual Covered Dispute that would otherwise be subject to arbitration; provided, however, that such party must contemporaneously submit the Covered Dispute for informal negotiation, non-binding mediation, and binding arbitration on the merits as provided in Section 24 (Dispute Resolution). In addition to any other relief available at law or equity, Franchisor will have the right to obtain restraining orders or temporary or permanent injunctions to, among other things: (a) enforce the provisions of this Agreement related to the use or protection of the Marks, Confidential Information, other components of the System, or other intellectual property of any of Franchisor Related Parties; (b) enforce the non-compete covenants in Section 15 (Covenants); (c) enforce the obligations of any Franchisee Related Party on termination or expiration of this Agreement; and (d) prohibit any act or omission by any Franchisee Related Party that is a violation of Applicable Laws or that threatens to harm the Marks, the System, or the business of other franchisees or Franchisor Related Parties. Franchisee agrees that Franchisor Related Parties will not be required to prove actual damages or post a bond in excess of $1,000 or other security in seeking or obtaining injunctive relief (both preliminary and permanent) and/or specific performance with respect to this Agreement.

24.2.3 Forum for Litigation. Any litigation related to an Excepted Dispute or for injunctive relief pursuant to Section 24.2.2 (Injunctive Relief) must be filed exclusively in the state court or United States District Court for the district in which Franchisor has its principal place of business at the time of filing (currently, Atlanta, Georgia) (the "**Exclusive Forum**"). The parties waive all objections or challenges to personal jurisdiction and venue in the Exclusive Forum, including forum *non conveniens* and transfer under 28 U.S.C. § 1404. Notwithstanding the foregoing, Franchisor may enforce this Agreement in the courts of the state or states in which Franchisee is domiciled or the Franchised Business is operated.

24.2.4 Related Claims. If Franchisor files any litigation seeking injunctive relief or asserting any claims related to any Excepted Disputes, Franchisor may assert and resolve all related claims, including claims related to Covered Disputes, in the same litigation action, notwithstanding Section 24 (Dispute Resolution).

24.3 **MUTUAL WAIVER OF JURY TRIAL. THE PARTIES EACH KNOWINGLY, VOLUNTARILY, AND IRREVOCABLY WAIVE ANY RIGHT TO A TRIAL BY A JURY IN ANY COVERED DISPUTE AND ANY RIGHT TO HAVE A COVERED DISPUTE BE DECIDED BY A COURT OR A JURY.**

24.4 **MUTUAL LIMITATION OF LIABILITY AND WAIVER OF PUNITIVE DAMAGES. EXCEPT FOR (A) CLAIMS RELATED TO THE FRANCHISEE RELATED PARTIES' OBLIGATION TO INDEMNIFY FRANCHISOR AND THE FRANCHISOR**

INDEMNITIES FOR THIRD-PARTY CLAIMS UNDER SECTION 17.3 (INDEMNIFICATION), (B) CLAIMS RELATED TO ANY OF THE FRANCHISEE RELATED PARTIES' INFRINGEMENT OF ANY OF THE FRANCHISOR RELATED PARTIES' INTELLECTUAL PROPERTY, AND (C) CLAIMS RELATED TO ANY FRANCHISEE RELATED PARTIES' BREACH OF ITS OBLIGATIONS UNDER SECTION 8 (CONFIDENTIAL INFORMATION AND DATA PROTECTION), NEITHER PARTY WILL BE ENTITLED TO RECOVER INDIRECT, SPECIAL, CONSEQUENTIAL, EXEMPLARY, OR PUNITIVE DAMAGES FOR ANY CLAIM ARISING UNDER OR RELATED TO THIS AGREEMENT OR THE PARTIES' BUSINESS RELATIONSHIP.

24.5 **MUTUAL WAIVER OF CLASS OR COLLECTIVE ACTIONS. FRANCHISOR AND FRANCHISEE EACH WAIVE ANY RIGHT TO BRING ANY CLAIMS ON A CLASS-WIDE OR GROUP, REPRESENTATIVE, CONSOLIDATED, JOINT, OR COLLECTIVE BASIS. EACH PARTY MUST BRING ANY CLAIMS AGAINST THE OTHER PARTY ON AN INDIVIDUAL BASIS AND MAY NOT JOIN ANY CLAIM IT MAY HAVE WITH CLAIMS OF ANY OTHER PERSON OR ENTITY OR OTHERWISE PARTICIPATE IN A CLASS OR COLLECTIVE ACTION AGAINST THE OTHER PARTY.**

24.6 **ONE-YEAR LIMITATION ON CLAIMS. ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR COVERED DISPUTES WILL BE BARRED UNLESS AN ARBITRATION OR JUDICIAL PROCEEDING IS COMMENCED IN THE PROPER FORUM WITHIN ONE YEAR FROM THE DATE ON WHICH THE VIOLATION, ACT, OMISSION, OR CONDUCT GIVING RISE TO THE CLAIM OCCURS, REGARDLESS OF WHEN THE PARTY ASSERTING THE CLAIM KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THE CLAIM**, except for claims (which may be brought by any Franchisor Related Party against any Franchisee Related Party at any time): (a) relating to third-party claims or suits brought against any Franchisor Related Party as a result of the operation of the Franchised Business; (b) relating to the enforcement of any intellectual property rights of any Franchisor Related Party; (c) relating to Franchisee's non-payment or underpayment of amounts owed to a Franchisor Related Party; (d) concerning the obligations of any Franchisee Related Party under Section 8 (Confidential Information and Data Protection) or Section 15 (Covenants) of this Agreement; (e) related to the non-compliance of any Franchisee Related Parties with any post-termination obligations under this Agreement; and (f) regarding an assignment of this Agreement or any ownership interest therein.

24.7 No Collateral Estoppel. No arbitration finding, conclusion, or award may be used to collaterally estop or otherwise preclude either party from raising any like or similar claim, issue, or defense against third parties, including other franchisees, in any subsequent arbitration, litigation, court hearing, or other proceeding.

24.8 Remedies Not Exclusive. Except as provided for in Section 24.5 (Mutual Waiver of Class or Collective Actions), no right or remedy that the parties have under this Agreement is exclusive of any other right or remedy under this Agreement or under Applicable Laws. Each and every such remedy will be in addition to, and not in limitation of or substitution for, every other remedy available at law or in equity or by statute or otherwise.

24.9 No Recourse. Franchisee acknowledges and agrees that, except as provided under an express statutory liability for such conduct, ~~Franchisor,~~(a) Franchisor's Affiliates and (b) Franchisor's and its Affiliates~~, and their~~' respective former and current owners, stockholders, members, managers, predecessors, successors, assigns, agents, directors, officers, employees, representatives, attorneys, parent companies, divisions, subsidiaries, benefits administrators, investors, affiliates, funds, vendors, and service providers~~,~~ will not be liable for (i) any of Franchisor's obligations or liabilities relating to or arising from this Agreement, (ii) any claim against Franchisor based on, in respect of, or by reason of, the relationship between Franchisee and Franchisor, or (iii) any claim against Franchisor based on any of Franchisor's alleged unlawful act or omission. For the avoidance of doubt, this provision constitutes an express waiver of any claims based on a theory of vicarious liability to the fullest extent allowed under Applicable Laws, unless such vicarious claims are authorized by an express, written guarantee of performance or a statutory obligation.

24.10 Enforcement Expenses.

24.10.1 Payable by Franchisee. Franchisee agrees to reimburse Franchisor (or the relevant Franchisor Related Party) for all costs and expenses Franchisor and any Franchisor Related Party reasonably incurs (including accountants', attorneys', investigators', and expert witness fees, cost of investigation and proof of facts, court costs, arbitration fees, other litigation expenses, and travel and living expenses) (i) to enforce the terms of this Agreement, any Related Agreement, or any obligation owed to a Franchisor Related Party by a Franchisee Related Party against Franchisee and/or any Franchisee Related Party (whether or not Franchisor or the Franchisor Related Party initiates a legal proceeding, including arbitration, unless Franchisor or the Franchisor Related Party initiates and fails to substantially prevail in such court or formal legal proceeding, including arbitration); and (ii) in the defense of any claim Franchisee and/or any Franchisee Related Party asserts against Franchisor or any Franchisor Related Party on which Franchisor or the Franchisor Related Party substantially prevails in court or other formal legal proceedings, including arbitration.

24.10.2 Payable by Franchisor. Franchisor agrees to reimburse Franchisee for all expenses Franchisee reasonably incurs (including accountants', attorneys', investigators', and expert witness fees, cost of investigation and proof of facts, court costs, arbitration costs, other litigation expenses, and travel and living expenses): (i) to enforce the terms of this Agreement or any obligation owed to Franchisee by Franchisor (whether or not Franchisee initiates a legal proceeding, including arbitration, unless Franchisee initiates and fails to substantially prevail in such court or formal legal proceeding, including arbitration); and (ii) in the defense of any claim Franchisor asserts against Franchisee on which Franchisee substantially prevails in court or other formal legal proceedings, including arbitration.

25 GOVERNING LAW

Except to the extent governed by the United States Trademark Act (the Lanham Act) or the Federal Arbitration Act, this Agreement and all disputes directly or indirectly related to or arising from this Agreement or the parties' business relationship shall be governed, interpreted, and construed under the laws of the State of Georgia, which laws shall prevail in the event of any conflict of law, without regard to the application of any Georgia conflict-of-law rules.

26 PRICES

Subject to Applicable Laws, Franchisor may require Franchisee to charge certain prices for goods or services, certain minimum prices for goods or services, or certain maximum prices for goods or services, as set forth in the Manual or otherwise in writing from time to time. If Franchisor sets a suggested retail price for a good or service, Franchisor may prohibit Franchisee from advertising any other prices for such goods or services. Where no price or maximum or minimum price has been specified or established by Franchisor, Franchisee may sell such goods or services at any reasonable price it chooses. Advertised prices and specified maximum and minimum prices for goods or services may vary from region to region to the extent deemed necessary by Franchisor in order to reflect differences in costs and other factors applicable to such regions.

27 ACKNOWLEDGMENTS

27.1 Receipt of Franchise Disclosure Document. The Franchisee acknowledges disclosure and receipt of Franchisor's Franchise Disclosure Document at the earlier of at least ten business days prior or

14 calendar days, whichever is applicable in Franchisee's state, to the execution of this Agreement, and at least ten business days or 14 calendar days, whichever is applicable in Franchisee's state, before any payment by Franchisee, or at Franchisee's first personal meeting with Franchisor.

27.2 Additional Documents. Franchisee and all persons claiming under it shall at any time hereafter, upon the request of Franchisor, make all such further assurances, and execute such additional documents as Franchisor deems necessary to effectuate the terms and conditions of this Agreement.

27.3 Acknowledgements in Certain States. The following acknowledgements apply to all franchisees and Franchised Businesses, except those that are subject to the state franchise disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

27.3.1 Independent Investigation. Franchisee acknowledges that it is entering into this Agreement as a result of its own independent investigation of the Franchised Business and not as a result of any representations about Franchisor or the Franchised Business made by Franchisor's members, officers, directors, employees, agents, representatives, independent contractors, or franchisees that are contrary to the terms set forth in (a) this Agreement or (b) any disclosure document, prospectus, or other similar document required or permitted to be given to Franchisee pursuant to Applicable Laws. Franchisee acknowledges that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent upon the ability of Franchisee as an independent entity. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business contemplated by this Agreement.

27.3.2 Consultation with Advisors. Franchisee acknowledges that it has received, read and understood this Agreement, the Exhibits to this Agreement, if any, and that Franchisor has accorded Franchisee ample time and opportunity to consult with advisors of its own choosing about the potential benefits and risks of entering into this Agreement.

27.3.3 Acknowledgement of Risks. Franchisee acknowledges and agrees that the Franchised Business may be impacted by many risks, including those outside Franchisee's or Franchisor's control such as economic, political or social disruption, including COVID-19. In addition, Franchisee acknowledges and agrees that the COVID-19 outbreak and any preventative or protective actions that federal, state, and local governments may take in response to this pandemic may result in a period of business disruption, reduced customer demand, and reduced operations for the Franchised Business, and that the extent to which the COVID-19 outbreak impacts the Franchised Business will depend on future developments which are highly uncertain and which Franchisor cannot predict

27.4 No Waiver or Disclaimer of Reliance in Certain States. The following provision applies only to franchisees and Franchised Businesses that are subject to the state franchise disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

> No statement, questionnaire, or acknowledgement signed or agreed to by 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 Franchisor, any franchise seller, or any other person acting on behalf of Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

28 DEFINITIONS

In addition to the terms that are defined in other parts of this Agreement, the following terms have the indicated meanings:

"Abandoned" means closure of the Franchised Business for a period of ten consecutive business days without Franchisor's prior written consent. In addition, a repeated pattern of closures of any Franchised Business for periods of more than three consecutive business days may result in the Franchised Business being deemed Abandoned if, in Franchisor's sole discretion, such closure adversely impacts the Franchised Business. The Franchised Business shall not be deemed Abandoned if the closure is due to acts of God or other matters beyond Franchisee's control (other than Franchisee's inability to procure revenue or projects), provided that (i) Franchisee gives notice of any such closure to Franchisor within ten days after the initial occurrence of the event resulting in the closure, (ii) Franchisor acknowledges in writing that the closure is due to one of the foregoing causes, and (iii) Franchisee resumes operating the Franchised Business in an approved location within 60 days or such longer period as Franchisor may permit after the initial occurrence of the event which resulted in the closure.

"**Affiliate**" means, with respect to a party, any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling, such party. For purposes of this definition, "**control**" means the power to direct or cause the direction of management and policies.

"**Applicable Laws**" means all relevant or applicable national, state and local laws, including statutes, rules, regulations, ordinances, directives, and codes.

"**Competing Business**" has the meaning that is specified in Exhibit A.

"**Confidential Information**" means any information, knowledge, know-how, and/or trade secrets related to the System, any Optional Programs, any SM Licenses, or the operation or development of Franchised Businesses that Franchisor or its Affiliates disclose to Franchisee and/or that Franchisor or its Affiliates designates as or deems to be confidential, or that, by its nature, would reasonably be expected to be held in confidence or kept secret. Without limiting the definition of "Confidential Information," all of the following will be conclusively presumed to be Confidential Information whether or not Franchisor designates them as such: (i) the Manual; (ii) pricing information; (iii) materials describing the franchise network and System; (iv) the sources (or prospective sources) of supply and all information related to or concerning the same, including the identity and pricing structures with suppliers; (v) the training materials; (vi) Franchisor's marketing plans and development strategies; (vii) Customer Information; (viii) Standards and specifications issued by Franchisor; (ix) knowledge or know-how regarding the development and operation of Franchised Businesses; and (x) all other information Franchisor or its Affiliates give to Franchisee in confidence. "Confidential Information" does not include information, knowledge or know-how that is or becomes generally known in the clean and restoration industries (without violating an obligation to Franchisor or its Affiliates) or that Franchisee knew from previous business experience before Franchisor provided it to Franchisee (directly or indirectly) or before Franchisee began training or operating the Franchised Business.

"**Control Transfer**" means any transfer (as defined below) of (a) this Agreement (or any interest in this Agreement), (b) the Franchised Business or all or substantially all of its assets, (c) a Controlling Ownership Interest in Franchisee, whether in one transaction or a series of related transactions (regardless of the time period over which these transactions take place), or (d) a Controlling Ownership Interest in any Controlling Owner (if such Owner is a legal entity), whether in one transaction or a series of related transactions (regardless of the time period over which these transactions take place).

"**Controlling Owner**" means an individual or legal entity holding a direct or indirect Controlling Ownership Interest in Franchisee.

"**Controlling Ownership Interest**" in a legal entity means, whether directly or indirectly, either (a) the record or beneficial ownership of, or right to control, 50% or more of the investment capital, equity, rights to receive profits or losses, or other rights to participate in the results of the entity, or (b) the effective control of the power to direct or cause the direction of that entity's management and policies, including a general partnership interest (with respect to an entity that is a partnership) and a manager or managing member interest (with respect to an entity that is a limited liability company), or the power to appoint or remove any such party. In the case of (a) or (b), the determination of whether a "Controlling Ownership Interest" exists is made both immediately before and immediately after a proposed transfer.

"**Core Services**" has the meaning that is specified in Exhibit A.

"**Customer Information**" means all names, contact information, financial information, and other personal information or data of, or relating to, the customers and prospective customers of the Franchised Business.

"**Effective Date**" means the date listed on page one of this Agreement, regardless of the date upon which Franchisor and Franchisee sign this Agreement.

"**Franchisee Related Parties**" means (i) Franchisee, its Affiliates, and/or its Owners, (ii) any owners, officers, directors, employees, spouses, family members, or agents of Franchisee, its Affiliates, and/or its Owners, and/or (iii) any other entities or persons acting through, or in concert, with Franchisee, its Affiliates, and/or its Owners.

"**Franchisor Related Parties**" means Franchisor, its Affiliates, or each of their respective former and current owners, stockholders, members, managers, predecessors, successors, assigns, agents, directors, officers, employees, representatives, attorneys, divisions, benefits administrators, investors, or funds.

"Good Standing" means, with respect to a party, such is in "Good Standing" if each of them (a) are in full compliance with all Obligations, (b) are not insolvent, meaning that Franchisee can satisfy all of its debts and obligations as they come due, (c) have not had any Related Agreements terminated during the Term as a result of their default, (d) have not received during the term more than three default notices under this Agreement or more than three default notices under any Related Agreement (regardless of whether any such defaults were timely cured), (e) have not sold, transferred, assigned or pledged any future proceeds or receivables under this Agreement to a creditor, (f) have not received during the preceding 12-month period more than two default notices under this Agreement or more than two default notices under any Related Agreement (regardless of whether any such defaults were timely cured), and (g) have no pending or threatened litigation or disputes with Franchisor, its Affiliates, or its approved vendors. "**Obligations**" include all obligations to Franchisor, its Affiliates, or its approved vendors, whether arising under (i) this Agreement, (ii) any Related Agreements, (iii) the Manual, or (iv) other standards or requirements specified by Franchisor.

"Gross Service Sales" means **(X)** all charges and/or revenues which are billed, received, or earned by Franchisee, any Franchisee Related Parties, and/or any Subcontractors engaged by Franchisee:

A. by, at, or in connection with the Franchised Business or the use of any of the Marks;

B. relating to the kinds of goods or services available now or in the future through the Franchised Business and/or distributed in association with the Marks or the System;

C. relating to the operation of any Similar Business;

D. with respect to any co-branding activities (including goods or services provided under, or in conjunction with, a mark other than the Marks); and/or

E. with respect to any other revenues of any kind received from third parties related to the operation of the Franchised Business, including any revenue received from Franchisor or its Affiliates (such as revenue collected by Franchisor or its Affiliates directly from customers that is related to work performed by Franchisee) or from vendors (such as rebates or ~~referral fees~~Referral Fees); **less**

(Y) any approved adjustments that may be deducted in accordance with the royalty remittance policy in the Manual, as such policy may be revised from time to time. Unless otherwise specified in the Manual or by Franchisor in writing, Gross Service Sales includes all revenue at the time billed and must be reported monthly on an accrual basis in the month the work was billed to the customer, regardless of when and if such revenue is collected by Franchisee. Unless otherwise specified in the Manual, any expenses related to goods or services provided to Franchisee or customers by Franchisee Related Parties (acting as a Subcontractor, vendor, or otherwise) will not be deductible as an adjustment from Gross Service Sales.

"**Losses and Expenses**" means losses, liabilities, claims, penalties, damages (compensatory, exemplary, and punitive), fines, payments, attorneys' fees, experts' fees, court costs, costs associated with investigating and defending against claims, settlement amounts, judgments, assessments, compromises, compensation for damages to Franchisor's reputation and goodwill, and all other costs associated with any of the foregoing losses and expenses.

"**Marks**" means the trademarks, service marks and trade names together with the related logo(s), including designs, stylized letters, and colors, that Franchisor permits Franchisee to use in connection with the Franchised Business and any other additional or substituted trademarks, trade names, service marks or logos that Franchisor later adopts and authorizes Franchisee in writing to use.

"**Non-Control Transfer**" means any Transfer (as defined in this Agreement) of (a) a non-Controlling Ownership Interest in Franchisee, (b) a non-Controlling Ownership Interest in any Controlling Owner (if such Owner is a legal entity), or (c) a Controlling Ownership Interest or non-Controlling Ownership Interest in any Non-Controlling Owner (if such Owner is a legal entity).

"**Non-Controlling Owner**" means any Owner which is not a Controlling Owner.

"**Owner**" means any person or entity holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in Franchisee, including any person or entity who has a direct or indirect interest in Franchisee, this Agreement, the franchise, or the Franchised Business and any person or entity who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights, or assets or any capital appreciation relating thereto.

"**Related Agreement**" means any agreement between Franchisee, its Affiliates, or its Owners, on one hand, and Franchisor, its Affiliates, and/or its approved vendors, on the other hand, including agreements related to the Franchised Business, another System Business, or any other business or franchise.

"**Similar Business**" means any business that offers, is otherwise involved in, or deals with any goods, products and/or services, which are substantially similar to those goods, products, and/or services now or in the future authorized by Franchisor to be offered at or from a System Business or otherwise (including any such enterprise and/or entity awarding franchises or licenses to operate or be involved with any such business), including the Core Services and any other services licensed by Franchisor, as described in the Agreement, the Manual, or Franchisor's Franchise Disclosure Document. Franchisor's receipt of any Royalties with respect to any Similar Business is not an approval of Franchisee's involvement with any Similar Business.

"**Standards**" means the guidelines, standards, specifications, rules, requirements, and directives, including those specified in the Manual, that Franchisor establishes from time to time for the operation of a Franchised Business, including interior and exterior design and décor and equipment.

"**Subcontractor**" means any third party or Franchisee Related Party that contracts directly with Franchisee to carry out work for Franchisee.

"**Transfer**" (whether or not such term is capitalized) means and includes a voluntary, involuntary, direct, or indirect assignment, sale, gift, pledge, mortgage, encumbrance, or other disposition of any interest in (i) this Agreement; (ii) Franchisee; (~~with any interest in this Agreement including the sale, assignment, or pledge of future receivables to a third party);~~iii) the Franchised Business or substantially all of its assets; (iv) any of Franchisee's Owners (if such Owner is a legal entity); or (v) any right to receive all or a portion of the Franchised Business', Franchisee's, or any Owner's profits or losses or any capital appreciation relating to the Franchised Business, Franchisee, or any Owner. An assignment, sale, gift, or other disposition includes the following events: (a) transfer of ownership of capital stock, a partnership or membership interest, or another form of ownership interest; (b) merger or consolidation or issuance of additional securities or other forms of ownership interest; (c) any pledge, sale, or other transfer of a security or other interest convertible to an ownership interest; (d) transfer in a divorce, insolvency, or entity dissolution proceeding or otherwise by operation of law; (e) transfer by will, declaration of or transfer in trust, or under the laws of intestate succession; and (f) foreclosure upon or exercising any similar rights or remedies with respect to any security interest in this Agreement (to someone other than Franchisor), the Franchised Business or an ownership interest in Franchisee or one of its Owners, foreclosure upon the Franchised Business, or Franchisee's transfer, surrender, or loss of the Franchised Business, possession, control, or management.

29. REPRESENTATIONS BY FRANCHISEE

29.1 Significant Dates. The Franchisee hereby certifies that the following information and dates are true and correct and the undersigned understands that Franchisor is relying on these statements in consideration of entering into this Agreement.

		Insert Applicable Response
a.	The date on which Franchisee received a Franchise Disclosure Document with all exhibits (Must be same date as date entered on Item 23 Receipt Page):	
b.	The date of Franchisee's first personal meeting with a representative of Franchisor to discuss the possible purchase of this Agreement. (Does not apply to renewal of existing License):	
c.	Name of Franchisor's representatives involved in the sales process:	
d.	The date Franchisee received a completed copy (except for signatures) of this Agreement:	
e.	The date on which Franchisee signed this Agreement:	
f.	The date on which Franchisee delivered any deposit, down payment, purchase price, or other payment in the form of cash, check, or other consideration to Franchisor:	

29.2 Representations by Franchisee in Certain States. The following representations must be completed by, and will only apply to, all franchisees and Franchised Businesses, except those that are subject to the state franchise disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

29.2.1 No oral, written, or visual claim or representation which contradicted the Franchise Disclosure Document was made to Franchisee except:

____

(if none, Franchisee shall write "none")

29.2.2 No oral, written, or visual claim or representation which contradicted the Franchise Disclosure Document was relied upon by Franchisee in signing the Agreement except:

____

(if none, Franchisee shall write "none")

29.2.3 No oral, written, or visual claim or representation which stated or suggested any sales, income or profit levels was made to Franchisee except in Item 19 of the Franchise Disclosure Document and:

____

(if none, Franchisee shall write "none")

29.2.4 No oral, written, or visual claim or representation which stated or suggested any sales, income or profit levels except those made in Item 19 of the Franchise Disclosure Document were relied upon by Franchisee in signing the Agreement except:

____

(if none, Franchisee shall write "none")

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the Effective Date.

FRANCHISOR	**FRANCHISEE**
SERVICEMASTER CLEAN/RESTORE SPE LLC	________________________________
By:____________________________	By:____________________________
Name: __________________________	Name: __________________________
Title: __________________________	Title: __________________________
Date: __________________________	Date: __________________________

EXHIBIT A
TO THE FRANCHISE AGREEMENT

DISASTER RESTORATION LICENSE

This Exhibit is attached to and is an integral part of the ServiceMaster Restore® Franchise Agreement dated ______________ (the "**Agreement**"), by and between ServiceMaster Clean/Restore SPE LLC d/b/a ServiceMaster Restore (the "**Franchisor**") and «Franchisee Name» (the "**Franchisee**"), doing business under the name, «DBA Name». To the extent that any provisions of Exhibit A are in direct conflict with the provisions of the Agreement, the provisions of this Exhibit A shall control.

1. LICENSE (Recitals): A Disaster Restoration License is being licensed to Franchisee under this Agreement. Franchisee understands and agrees that no other program or services are licensed to Franchisee under the Agreement. Pursuant to this Disaster Restoration License, Franchisee is licensed to, and is required to, offer and provide through the Franchised Business (a) Core Services and (b) Additional Core Services. In addition, Franchisee may offer and provide through the Franchised Business (i) Construction Services (if it complies with the Construction Services section of this Exhibit A and signs a Construction Services Amendment) and (ii) Supplemental Services.

"**Core Services**" currently include a full range of the following mandatory services, which must be delivered by Franchisee directly to customers (without the use of a Subcontractor): (a) disaster restoration services delivered primarily to customers who have experienced loss from water damage or other manmade or natural events or disasters, including fires, floods, earthquakes, storms, and systems failures (including sewer, plumbing electrical or otherwise); and (b) commercial services delivered to the management or tenants of any commercial or institutional building. Specifically, these services currently include (i) water mitigation (emergency water mitigation/restoration 24 hours per day), (ii) structural drying (including carpet, walls, wood floors and other relevant structural materials), (iii) structural cleaning (post fire/smoke and post construction), (iv) mold remediation (state licensing may be required), (v) contents cleaning and moving (inventory, pack-out, moving, cleaning, storage, and pack-back), (vi) cleaning and disinfection to limit the survival of viruses and emerging viral pathogens, (vii) consulting, and (viii) equipment rental.

[ADD FOR QUALIFYING TRANSFERS AND RENEWALS THAT PREVIOUSLY OFFERED BIOHAZARD AND TRAUMA CLEANING SERVICES:] Core Services will also include biohazard and trauma cleaning services, provided that Franchisee satisfies Franchisor's then-current certification requirements and has successfully completed any training programs required by Franchisor.

"**Additional Core Services**" currently include the following mandatory services, which may be delivered by Franchisee, at its option, directly or through a Subcontractor (including a general contractor, if licensing is required to perform such services): (i) temporary services (board-up, roof tarping, debris removal, and security); (ii) hoarding clean-up; (iii) HVAC/duct cleaning; (iv) textile cleaning (dry cleaning and soft contents); (v) electronics cleaning; (vi) document drying; (vii) art restoration; and (viii) carpet reinstallation.

"**Supplemental Services**" currently include the following optional services, which, if Franchisee chooses to provide such services, must be delivered by Franchisee directly to customers (without the use of a Subcontractor) and which may only be provided on a non-recurring basis (and not in conjunction with contracted or recurring janitorial or housekeeping services): (i) carpet and upholstery cleaning services (including cleaning, spot and pet odor removal, application of soil and stain protectors, anti-static agents, carpet inspection services, carpet maintenance, and power washing); (ii) hard surface floor maintenance; (iii) furniture cleaning services; (iv) cleaning rendered on a periodic basis (including wall, floor, ceiling and contents cleaning, kitchen and bathroom surface and fixture cleaning, deodorizing, and sanitizing); (v) washing windows (interior and exterior), blinds, and chandeliers; and (vi) power washing vehicles, decks, aluminum siding, driveways, and other exterior surfaces.

Franchisor may add to, delete, modify, or further define any of the Core Services, Additional Core Services, and Supplemental Services (including transitioning a service from one category to the other category) from time to time, in its sole discretion, and shall include such changes in the Manual.

Franchisee is authorized only to offer or provide the products and services described in this ~~Section~~Paragraph 1, unless otherwise specified in the Manual or by Franchisor in writing. For the avoidance of doubt, asbestos abatement is not an approved service.

2. TERRITORY (Section 1.1): The Territory in which the Franchisee is granted a non-exclusive right and license to operate the Franchised Business is:

-Territory-

3. RENEWAL FEE (Section 2.2.2.12): The renewal fee shall be equal to 3% of the then-current initial license fee that is being charged to new franchisees at the time of renewal.

4. INITIAL LICENSE FEE (Section 4.1.1): If the Agreement pertains to the original issuance of the license, then the Initial License Fee described in Section 4.1.1 of the Agreement is $72,500 minus any applicable discounts granted by Franchisor. If the Agreement pertains to an existing license, then no Initial License Fee shall be due.

5. MONTHLY ROYALTIES (Section 4.1.2):

[FOR NEW FRANCHISED BUSINESSESS:] The Royalties in each month will be equal to the greater of (i) 10% of the Franchisee's monthly Gross Service Sales and (ii) the Minimum Royalty. The "**Minimum Royalty**" will be (a) $0 per month during the first four months after the Effective Date, (b) $250 per month during the fifth through twelfth months after the Effective Date, and (c) $750 per month beginning on the first anniversary of the Effective Date and continuing thereafter.

[FOR RENEWING FRANCHISED BUSINESSESS AND TRANSFERRED FRANCHISED BUSINESSESS:] The Royalties in each month will be equal to the greater of (i) 10% of the Franchisee's monthly Gross Service Sales and (ii) $750.

6. AD FUND CONTRIBUTION (Section 4.2.1):

[FOR NEW AND TRANSFERRED FRANCHISED BUSINESSESS:] The monthly "**Ad Fund Contribution**" is (a) 2% of the monthly Gross Service Sales achieved in the previous month for up to $7,500,000 in Group Sales in any calendar year and (b) 0.5% of the monthly Gross Service Sales achieved in the previous month for $7,500,000.01 or more in Group Sales in any calendar year. The Ad Fund Contribution may be changed by Franchisor from time to time, provided that the Ad Fund Contribution and the Local Advertising Commitment will not collectively exceed 4% of monthly Gross Service Sales.

A. ~~ROYALTY GROUP~~DETERMINING GROUPS. Franchisor may, in certain circumstances, permit Franchisee to combine the Franchised Business and certain other System Businesses owned by the

Franchisee and its Affiliates into one group for the purpose of calculating certain fees (a "~~**Royalty**~~ **Group**"). Typically, a ~~Royalty~~ Group will consist of only one System Business. If Franchisee and its Affiliates own, now or in the future, more than one System Business, the following policies will apply:

a. Eligibility to Join Group: Only System Businesses that are owned by Franchisee or its Affiliates that operate under a Franchise Agreement that includes an Ad Fund Contribution that varies based on "Group Sales" are eligible to be added to a Group.

b. ~~a.~~ Contiguous or Overlapping Territory – Existing Franchises or New Franchises: If Franchisee or its Affiliates (i) own~~, as of April 30, 2025,~~ any System Businesses that have overlapping or contiguous territories or (ii) in the future acquire from Franchisor a new System Business (not through a transfer) with a territory that overlaps with, or is contiguous to, the territory of any System Businesses owned by Franchisee or its Affiliates, Franchisor will combine such overlapping or contiguous System Businesses into a single ~~Royalty~~ Group (if they are eligible for inclusion in a Group).

c. ~~b.~~ Contiguous or Overlapping Territory – Transferred Franchises: If Franchisee or its Affiliates acquire from an existing franchisee through a transfer one or more existing System Businesses that have territories that overlap with, or are contiguous to, the territory of Franchisee or its Affiliates' existing System Business(es), Franchisor may, in its sole discretion, either (i) combine the transferred System Businesses and the overlapping or contiguous System Businesses into a single ~~Royalty~~ Group or (ii) maintain the transferred System Businesses as a separate ~~Royalty~~ Group from Franchisee's or its Affiliates' existing ~~Royalty~~ Groups. There should be no expectation that any of the acquired System Businesses will be combined with Franchisee's or its Affiliates' existing ~~Royalty~~ Groups.

d. ~~c.~~ Non-contiguous or Non-overlapping Territory: If Franchisee or its Affiliates own or acquire (either through a transfer or purchase of a new franchise) any System Businesses that have territories that do not overlap with, or are not contiguous to, one another, Franchisor may, in its sole discretion, either (i) combine the separated System Businesses into Franchisee's or its Affiliates' existing ~~Royalty~~ Groups or (ii) maintain the separated System Businesses as one or more separate ~~Royalty~~ Groups. There should be no expectation that any non-contiguous or non-overlapping System Businesses will be combined with Franchisee's or its Affiliates' other System Businesses.

As of the Effective Date, the ~~Royalty~~ Group that is in effect under this Agreement includes the Franchised Business and the following System Businesses (if any): ____.

The ~~Royalty~~ Group may not be modified unless (a) Franchisor and Franchisee (and any impacted Affiliates) agree to do so in writing or (b) Franchisor modifies or dissolves the ~~Royalty~~ Group as an alternative remedy to termination of this Agreement, as specified in Section ~~13.5.8~~13.5.10 of this Agreement (as detailed within Paragraph ~~11~~14 of this Exhibit).

B. ~~ROYALTY~~ GROUP SALES. The "~~**Royalty**~~ **Group Sales**" will be equal to the aggregate Gross Service Sales of all of the System Businesses in the ~~Royalty~~ Group. If a ~~Royalty~~ Group is created during a calendar year, the Gross Service Sales of all of the System Businesses in such ~~Royalty~~ Group that occurred during each full month of such calendar year prior to the date of the formation of the ~~Royalty~~ Group will be aggregated, and thereafter included in, the calculation of the ~~Royalty~~ Group Sales for such calendar year. If a System Business is added to the ~~Royalty~~ Group during a calendar year, the Gross Service Sales of such System Business during each full month of such calendar year will be added to, and thereafter included in, the calculation of the ~~Royalty~~ Group

Sales for such calendar year. If a System Business is removed from the ~~Royalty~~ Group during a calendar year, the Gross Service Sales of such removed System Business in the portion of the full months of such calendar year that preceded the date of its removal will be included in the calculation of the ~~Royalty~~ Group Sales for such calendar year, but any Gross Service Sales of such removed System Business after its removal shall not be included in the calculation of the ~~Royalty~~ Group Sales going forward. Franchisee will report Gross Service Sales for each System Business separately, and Franchisor will aggregate such figures to determine the ~~Royalty~~ Group Sales.

For example, if a System Business is removed from the ~~Royalty~~ Group because Franchisee is selling such business to a third party and such transfer occurs on September 17th, then the Gross Service Sales of such transferred business that occurred from January through August (including August) will remain part of the ~~Royalty~~ Group Sales, and any Gross Service Sales of the transferred business that occur from September 1 through and including September 17 will not be included in the ~~Royalty~~ Group Sales.

~~C. ROYALTIES FORMULA. The Royalties in each month will be equal to the Gross Service Sales in such month multiplied by the Applicable Royalty Rate (as defined in subsection D.).~~

[FOR RENEWING FRANCHISED BUSINESSES (LEGACY RENEWAL FRANCHISES):] The monthly "**Ad Fund Contribution**" is the greater of (a) 1% of the monthly Gross Service Sales achieved in the previous month and (b) $20.

~~D. DETERMINATION OF APPLICABLE ROYALTY RATE.~~

~~[INCLUDE THESE TWO PARAGRAPHS FOR TRANSFEREES AND EXISTING FRANCHISEES THAT ARE ELIGIBLE FOR A TRANSITION RATE UNDER THE TRANSITION PROGRAM:] From the Effective Date until the last day of the month in which the first anniversary of the Effective Date occurs (the "**Transition Period**"), the "**Applicable Royalty Rate**" shall be equal to [insert applicable transition rate]%.~~

~~After the Transition Period, the "**Applicable Royalty Rate**" for a given month shall be determined based on the Royalty Group Sales for such calendar year in accordance with the following scale (the "**Royalties Scale**"):~~

~~[INCLUDE THIS SENTENCE ONLY FOR NEW FRANCHISEES OR EXISTING FRANCHISEES THAT ARE **NOT** ELIGIBLE FOR A TRANSITION RATE UNDER THE TRANSITION PROGRAM:] Throughout the Term, the "**Applicable Royalty Rate**" for a given month shall be determined based on the Royalty Group Sales for such calendar year in accordance with the following scale (the "**Royalties Scale**"):~~

~~**ROYALTY TIER**~~	~~**RANGE OF ROYALTY GROUP SALES IN EACH CALENDAR YEAR**~~		~~**APPLICABLE ROYALTY RATE IN EACH TIER**~~
	~~**Minimum**~~	~~**Maximum**~~	
~~1~~	~~$0~~	~~$500,000~~	~~10%~~
~~2~~	~~$500,000.01~~	~~$1,000,000~~	~~9.15%~~
~~3~~	~~$1,000,000.01~~	~~$1,500,000~~	~~8.75%~~
~~4~~	~~$1,500,000.01~~	~~$2,000,000~~	~~8.35%~~
~~5~~	~~$2,000,000.01~~	~~$2,500,000~~	~~7.95%~~
~~6~~	~~$2,500,000.01~~	~~$3,000,000~~	~~7.55%~~
~~7~~	~~$3,000,000.01~~	~~$3,500,000~~	~~7.15%~~
~~8~~	~~$3,500,000.01~~	~~$4,000,000~~	~~6.75%~~
~~9~~	~~$4,000,000.01~~	~~$4,500,000~~	~~6.35%~~
~~10~~	~~$4,500,000.01~~	~~No maximum~~	~~5.95%~~

~~In a calendar year in which the Royalties Scale takes effect, the Royalty Group Sales (if any) for the Royalty Group will be aggregated for each of the full months of the calendar year preceding~~

~~the implementation of the Royalties Scale to determine the beginning Royalty Tier and beginning Applicable Royalty Rate. When the Royalty Group Sales in such calendar year crosses into another Royalty Tier, the Applicable Royalty Rate will change. Beginning on January 1 of each calendar year, the Royalty Group Sales and Applicable Royalty Rate will reset, and Franchisee will begin paying Royalties at the Tier 1 level.~~

~~As an example, if the total Royalty Group Sales for 2025 was $2,700,000 and the Royalty Group Sales for January 2026 are $400,000, the Applicable Royalty Rate for January 2026 will be 10% (the Applicable Royalty Rate for Tier 1), since the Royalty Group Sales for 2026 would restart on January 1 and reach $400,000 by the end of January. If in February 2026, the same Royalty Group achieved $100,000 in Royalty Group Sales, the Applicable Royalty Rate would still be 10% (the Applicable Royalty Rate for Tier 1) by the end of February, because the aggregate Royalty Group Sales by the end of February 2026 would be $500,000.~~

~~As a further example, if Franchisee owns a Royalty Group that converts to the Royalties Scale on August 1, 2025, and the Royalty Group Sales for January through July were $1,700,000, the Applicable Royalty Rate for August would start at 8.35% (the Applicable Royalty Rate for Royalty Tier 4), even though the Royalty Group Sales were achieved prior to the implementation of such Royalties Scale. The Applicable Royalty Rate would then change when the Royalty Group Sales equals or exceeds $2,000,000.01 (which is the minimum amount for Royalty Tier 5). Once Royalty Tier 5 is reached, the Applicable Royalty Rate for Royalty Tier 5 (7.95%) would apply until the Royalty Group Sales reaches the next Royalty Tier threshold (which is $2,500,000.01 for Royalty Tier 6, with an Applicable Royalty Rate of 7.55%). This process will continue until the conclusion of such calendar year at which point the Royalty Group Sales and Applicable Royalty Rate will reset.~~

~~If the Applicable Royalty Rate changes in a month because the Royalty Group Sales crosses into one or more additional Royalty Tiers (as described in the Royalties Scale above), the Applicable Royalty Rate for such month shall be a blended royalty rate calculated by (a) multiplying the Royalty Group Sales in such month in each Royalty Tier by the Applicable Royalty Rate for such Royalty Tier, (b) adding the resulting amounts together, and (c) dividing such aggregated amount by the total Royalty Group Sales in such month.~~

~~For example, if the Royalty Group Sales for the calendar year at the start of September was $1,200,000 and the Royalty Group Sales for the month of September is $1,000,000 (this figure was chosen solely for the purpose of demonstrating a transition across three Royalty Tiers), the Applicable Royalty Rate for the month is 8.39%, and the Royalties payment for the month of September would be $83,900, which is calculated as:~~

~~(x) The amount of the Royalty Group Sales in Tier 3 (which is the difference between $1,200,000 [the Royalty Group Sales as of September 1st] and $1,500,000 [the maximum amount for Tier 3], which is $300,000) multiplied by the Applicable Royalty Rate for Tier 3 (which is 8.75%), which equals $26,250; plus~~

~~(y) The amount of the Royalty Group Sales in Tier 4 (which is the difference between $1,500,000.01 [the minimum amount for Tier 4] and $2,000,000 [the maximum amount for Tier 4], which is $500,000) multiplied by the Applicable Royalty Rate for Tier 4 (which is 8.35%), which equals $41,750; plus~~

~~(z) The amount of the Royalty Group Sales in Tier 5 (which is the difference between $2,000,000.01 [the minimum amount for Tier 5] and $2,200,000 [the Royalty Group Sales as of September 30th], which is $200,000) multiplied by the Applicable Royalty Rate for Tier 5 (which is 7.95%), which equals $15,900.~~

~~The sum of (x) + (y) + (z) = $83,900, which is then divided by $1,000,000 (the Royalty Group Sales for September). This calculation equals 8.39%, which is the Applicable Royalty Rate for September for the Royalty Group.~~

~~For clarity, the following table depicts the same calculation from the example above in a~~

~~table format with the applicable portion of the Royalties Scale on the left and the $1,000,000 in Royalty Group Sales for September on the right, divided into the applicable Royalty Tiers:~~

~~Royalties Scale~~					~~September~~		
~~Royalty Tier~~	~~Minimum~~	~~Maximum~~	~~Rate~~		~~Sales~~	~~Royalties~~	~~Rate~~
~~1~~	~~$0~~	~~$500,000~~	~~10%~~		~~N/A~~	~~N/A~~	~~N/A~~
~~2~~	~~$500,000.01~~	~~$1,000,000~~	~~9.15%~~		~~N/A~~	~~N/A~~	~~N/A~~
~~3~~	~~$1,000,000.01~~	~~$1,500,000~~	~~8.75%~~		~~$300,000~~	~~$26,250~~	~~8.75%~~
~~4~~	~~$1,500,000.01~~	~~$2,000,000~~	~~8.35%~~		~~$500,000~~	~~$41,750~~	~~8.35%~~
~~5~~	~~$2,000,000.01~~	~~$2,500,000~~	~~7.95%~~		~~$200,000~~	~~$15,900~~	~~7.95%~~
~~6~~	~~$2,500,000.01~~	~~$3,000,000~~	~~7.55%~~		~~N/A~~	~~N/A~~	~~N/A~~
				~~**Total**~~	~~**$1,000,000**~~	~~**$83,900**~~	~~**8.39%**~~

~~For further clarity, the aggregate amount of Royalties paid would be the same, whether the Royalty Group is comprised of a single System Business or if there are multiple System Businesses in the Royalty Group. If the Franchised Business is the only System Business in the Royalty Group, the Royalties due for September would be $1,000,000 multiplied by 8.39%, which equals $83,900. If there are multiple System Businesses in the Royalty Group, then the sales for each System Business would be multiplied by the Applicable Royalty Rate to determine the Royalties due for each System Business. In this example if there are two System Businesses in the Royalty Group and the Gross Service Sales of one of the System Businesses in September is $400,000, the Royalties due for September for such System Business would be $400,000 multiplied by 8.39%, which equals $33,560. If the Gross Service Sales for the second System Business in September are $600,000, the Royalties due for September for the second System Business would be $600,000 multiplied by 8.39%, which equals $50,340. Taken together, the total Royalties due for the two System Businesses equals $83,900 [$33,560 + $50,340] (which is the same amount paid by a Royalty Group with only one System Business in it).~~

~~The range of Royalty Group Sales amounts in the Royalties Scale will increase annually on January 1 of each year of this Agreement in accordance with the Consumer Price Index, or 3%, whichever is greater. The updated ranges in the Royalties Scale will be published in the Manual.~~

~~THE RANGES OF GROSS SERVICE SALES IN THE ROYALTIES SCALE IS IN NO WAY INTENDED TO IMPLY THAT FRANCHISEE WILL EXPERIENCE GROSS SERVICE SALES OF ANY PARTICULAR LEVEL.~~

~~6. AD FUND CONTRIBUTION (Section 4.2.1): The monthly "**Ad Fund Contribution**" is (a) 2% of the monthly Gross Service Sales achieved in the previous month for up to $7,500,000 in Royalty Group Sales in any calendar year and (b) 0.5% of the monthly Gross Service Sales achieved in the previous month for $7,500,000.01 or more in Royalty Group Sales in any calendar year. The Ad Fund Contribution may be changed by Franchisor from time to time, provided that the Ad Fund Contribution and the Local Advertising Commitment will not collectively exceed 4% of monthly Gross Service Sales.~~

~~[INCLUDE THIS PARAGRAPH FOR TRANSFEREES AND EXISTING FRANCHISEES THAT ARE ELIGIBLE FOR THE TRANSITION PROGRAM:] If the total Ad Fund Contributions paid by the Royalty Group during the Transition Period reach [insert the total Ad Fund Contribution owed by the Royalty Group in the 12 full months preceding the Effective Date based on the fee structure applicable in the then-effective Franchise Agreements + $50,000], no further Ad Fund Contributions will be required for the Franchised Business for the remainder of the Transition Period. After the Transition Period, Franchisee must resume paying the Ad Fund Contribution for the Franchised Business in accordance with Section 4.2.1 (Ad Fund Contribution).~~

7. TECHNOLOGY FEES (Section 4.2.2): If the Restore 365 Plus software license fee is collected

by Franchisor as part of the Technology Fee, such fee will not exceed $1,300 per month for Franchisee's principal place of business and $125 per month for each additional location. These fee caps supersede the general cap on Technology Fees (of 150% of Franchisor's and its Affiliates' costs and expenses) that is set forth in Section 4.2.2.

8. TRANSFER FEE (Section 4.3.3): The Transfer Fee shall be equal to (i) 10% of the then-current Initial License Fee charged to new franchisees at the time of the Transfer, except the Transfer Fee shall be (a) $3,500 if the Transfer is to an Owner's child who is at least 18 years of age or to an approved manager of the Franchised Business for at least five years that is current on all Franchisor-required training and certifications, (b) $500 if the Transfer is to an existing Owner, and (c) $500 if the Transfer is to a spouse of an existing Owner; plus (ii) Franchisor's and its Affiliates' costs and expenses incurred in connection with the Transfer, including attorneys' fees.

9. ~~8.~~ OWNERSHIP INTERESTS (Section 5.6 and 12.2.1): The following identifies all Owners and describes their ownership interests (whether direct or indirect) in Franchisee as of the Effective Date:

OWNER NAME	PERCENTAGE OWNERSHIP INTEREST

10. OPTIONAL PROGRAM FEES (Section 5.16.2): The Optional Program Fees include:

(a) Participation Fees. Franchisee may be required to pay fees to participate in Optional Programs ("**Participation Fees**"), provided that any Participation Fees payable to Franchisor or its Affiliates will not exceed $10,000 per year, per Optional Program (which may be paid weekly, monthly, or annually).

(b) Referral Fees. Franchisee may be required to pay referral fees for each lead referred to such Franchisee through an Optional Program ("**Referral Fees**"), provided that any Referral Fees payable to Franchisor or its Affiliates will not exceed (i) for residential jobs, at Franchisor's option, a fixed fee of up to $350 per job or a percentage fee of up to 10% of the total invoiced amount for such job, and (ii) for commercial jobs, a percentage fee of up to 10% of the total invoiced amount for such job.

(c) Service Fees. Franchisee may be required to pay service fees for certain specified services provided by the Franchisor, its Affiliates, or third parties related to jobs generated through Optional Programs ("**Service Fees**"), provided that the Service Fees payable to Franchisor or its Affiliates will not exceed 150% of Franchisor's and its Affiliates' costs and expenses related to providing such products and/or services.

11. ~~9.~~ MINIMUM MONTHLY SALES REQUIREMENT (Section 5.17): The Minimum Monthly Sales Requirement is at least $7,500 in Gross Service Sales in each month of the Term (beginning in the 13th full month of operation of the Franchised Business).

12. ~~10.~~ MARKS (Section 6.1.3): The Marks of Franchisor or its Affiliates licensed to Franchisee under the Agreement are:

MARK	REGISTRATION NUMBER
SERVICEMASTER	782,584

MARK	REGISTRATION NUMBER
The Color Yellow as applied to a vehicle	2,085,318
RESTORING PEACE OF MIND	3,371,397
SERVICEMASTER RESTORE (word mark)	3,716,787
SERVICEMASTER RESTORE with logo	3,834,551
800-RESPOND (word mark)	3,422,244
866 RECOVER (word mark)	3,422,245

13. ~~11.~~ LOCAL ADVERTISING COMMITMENT (Section 10.1.2):

[FOR NEW AND TRANSFERRED FRANCHISED BUSINESSES:] The monthly "**Local Advertising Commitment**" in each month is (a) 2% of the monthly Gross Service Sales achieved in the previous month for up to $7,500,000 in ~~Royalty~~ Group Sales in any calendar year and (b) 3.5% of the monthly Gross Service Sales achieved in the previous month for $7,500,000.01 or more in ~~Royalty~~ Group Sales in any calendar year. The Local Advertising Commitment may be changed by Franchisor from time to time, provided that the Ad Fund Contribution and the Local Advertising Commitment will not collectively exceed 4% of monthly Gross Service Sales. The Ad Fund Contributions paid to Franchisor will not count) as Eligible Marketing.

[FOR RENEWING FRANCHISED BUSINESSES (LEGACY RENEWAL FRANCHISES):] The monthly "**Local Advertising Commitment**" in each month is 4% of the monthly Gross Service Sales achieved in the previous month. The Ad Fund Contributions paid to Franchisor will count as Eligible Marketing.

14. ~~12.~~ OTHER REMEDIES (Section 13.5): The following is added to Section 13 as a new Section ~~13.5.8~~13.5.10:

~~13.5.8~~13.5.10 modify or dissolve, in Franchisor's sole discretion, any of the existing ~~Royalty~~ Groups of Franchisee and its Affiliates (even if the default giving rise to the termination right was a default by an Affiliate under a Related Agreement and even if the System Business of the defaulting Affiliate was part of a different ~~Royalty~~ Group from Franchisee's ~~Royalty~~ Group) in any manner that Franchisor deems appropriate, without regard to any existing rules or policies related to the formation of ~~Royalty~~ Groups.

For example, Franchisor may permanently separate into two or more new ~~Royalty~~ Groups any System Businesses with contiguous or overlapping territories that had been in a single ~~Royalty~~ Group.

As another example, if Franchisee and its Affiliates have 12 System Businesses divided into ~~Royalty~~ Group A with eight System Businesses and ~~Royalty~~ Group B with four System Businesses and there is a default under a Franchise Agreement for one of the System Businesses in ~~Royalty~~ Group A, Franchisor could modify both ~~Royalty~~ Group A and B in any way Franchisor deems appropriate. For example, Franchisor could choose to split ~~Royalty~~ Groups A and B into four new ~~Royalty~~ Groups with three System Businesses each. As another example, Franchisor could choose not to modify ~~Royalty~~ Group A but could split ~~Royalty~~ Group B into one ~~Royalty~~ Group with three System Businesses and one ~~Royalty~~ Group with one System Business.

15. ~~13.~~ COMPETING BUSINESS (Section 28): "**Competing Business**" means a business which (a) offers or performs any of the various programs and services licensed by Franchisor within the System, including the Core Services, Additional Core Services, Supplemental Services, and Construction Services, or (b) manages, franchises, or licenses any of the businesses described in (a).

16. ~~14.~~ CONSTRUCTION SERVICES: Franchisee may not offer Construction Services, unless Franchisee enters into a Construction Services Amendment to this Agreement, which is attached to the Franchise Disclosure Document and includes terms related to such offering such services. If Franchisee does not wish to offer Construction Services, it must sign the Construction Services Amendment Opt-Out Option Acknowledgement that is attached to the Franchise Disclosure Document. "**Construction Services**" are defined as construction services including, but not limited to, framing carpentry, cabinetry removal and put back/installation, cabinetry repair, roofing, flooring, drywall and plastering, carpet and pad installation, painting, wallpapering installation, and repair of heating, cooling, electrical and plumbing systems, which involve structural reconstruction, cosmetic restoration, or mechanical restoration associated with disaster restoration. ~~Construction Services are included in the calculation of Gross Service Sales and subject to the standard Royalties and Ad Fund Contribution.~~

17. ~~15.~~ CERTIFICATION FOR RENOVATIONS INVOLVING LEAD-BASED PAINT: The Franchised Business shall maintain at all times during the term of this Agreement a current certification with the United States Environmental Protection Agency ("**EPA**") for renovations involving lead-based paint and fully comply with the EPA's Lead Renovation, Repair and Painting Rule ("**LRRP Rule**"), 40 CFR 745, Subpart E promulgated under the Toxic Substances Control Act ("**TSCA**"), 15 U.S.C. 2682 and 2686 and provide a copy of such certification annually to ServiceMaster Restore.

Additionally, at all times during the Term, at least one employee of the Franchised Business must be certified as a Certified Renovator (as defined in the LRRP Rule) and shall be responsible for training other Franchised Business employees and supervising work practices involving lead-based paint including, but not limited to, removal, clean-up and waste disposal. All removal, clean-up and waste disposal procedures involving lead-based paint must fully comply with the TSCA and the LRRP Rule. Additionally, the Certified Renovator shall maintain complete project files for the services provided for three years following completion of the project in compliance with the TSCA and the LRRP Rules applicable to record keeping.

At a minimum, such project files shall include verifications of owner/occupant receipt of the Renovator Rights pamphlet or documentation of all attempts to inform, documentation of work practices, Certified Renovator certifications, and proof of training of Franchised Business employees by the Certified Renovator.

18. ESTIMATING AS A SERVICE FEE: Franchisor or insurance carriers may require Franchisee to use Franchisor or its Affiliates to prepare estimates for jobs. If Franchisor or its Affiliates generate an estimate for Franchisee, Franchisee shall pay Franchisor a fee that will not exceed (a) $1,000 per job that is estimated to cost $50,000 or less and (b) 5% of the invoiced amount for any job estimated to cost more than $50,000.

Signature Page to Exhibit A: Disaster Restoration License

FRANCHISOR

SERVICEMASTER CLEAN/RESTORE SPE LLC

By:__________________________________
Name: ________________________________
Title: _________________________________
Date: _________________________________

FRANCHISEE

____

By:__________________________________
Name: ________________________________
Title: _________________________________
Date: _________________________________

EXHIBIT A
TO THE FRANCHISE AGREEMENT

RECOVERY MANAGEMENT SERVICES LICENSE
(Offered Only as a Renewal or Transfer of an Existing Recovery Management Services License)

This Exhibit is attached to and is an integral part of the ServiceMaster Restore® Franchise Agreement dated ______________ (the "**Agreement**"), by and between ServiceMaster Clean/Restore SPE LLC d/b/a ServiceMaster Restore (the "**Franchisor**") and «Franchisee Name» (the "**Franchisee**"), doing business under the name, «DBA Name». To the extent that any provisions of Exhibit A are in direct conflict with the provisions of the Agreement, the provisions of this Exhibit A shall control.

1. LICENSE (Recitals): A Recovery Management Services License is being licensed to Franchisee under this Agreement. Franchisee understands and agrees that no other program or services are licensed to Franchisee under the Agreement. Pursuant to this Recovery Management Services License, Franchisee is licensed to, and is required to, offer and provide through the Franchised Business: (a) Core Services, (b) Additional Core Services, (c) project and recovery management services, and (d) Commercial Large Loss Disaster Restoration Services, provided that such services shall only be provided to Customers. For purposes of this Exhibit A, "**Customers**" shall mean customers that have the capacity to provide commercial large loss disaster restoration services opportunities meeting or exceeding $500,000 in contract value on a single loss and which are not currently ServiceMaster Restore® customers, unless prior approval is given by Franchisor to market or solicit such existing customers. In addition, Franchisee may provide Construction Services to Customers, if it complies with the Construction Services section of this Exhibit A and signs a Construction Services Amendment.

"**Commercial Large Loss Disaster Restoration Services**" shall mean the types of services delivered by Franchisee (without the use of a Subcontractor, except for other System Businesses) (i) directly to commercial Customers that have experienced loss from water damage or other events or disasters, including but not limited to fire, flood, earthquake, and storm, and systems failure (including sewer, plumbing electrical or otherwise) or (ii) indirectly to the commercial Customers described in (i) through insurance agents, adjusters, and brokers.

"**Core Services**" currently include a full range of the following mandatory services, which must be delivered by Franchisee directly to Customers (without the use of a Subcontractor): (a) disaster restoration services delivered primarily to customers who have experienced loss from water damage or other manmade or natural events or disasters, including fires, floods, earthquakes, storms, and systems failures (including sewer, plumbing electrical or otherwise); and (b) commercial services delivered to the management or tenants of any commercial or institutional building. Specifically, these services currently include (i) water mitigation (emergency water mitigation/restoration 24 hours per day), (ii) structural drying (including carpet, walls, wood floors and other relevant structural materials), (iii) structural cleaning (post fire/smoke and post construction), (iv) mold remediation (state licensing may be required), (v) contents cleaning and moving (inventory, pack-out, moving, cleaning, storage, and pack-back), (vi) cleaning and disinfection to limit the survival of viruses and emerging viral pathogens, (vii) consulting, and (viii) equipment rental.

[ADD FOR QUALIFYING TRANSFERS AND RENEWALS THAT PREVIOUSLY OFFERED BIOHAZARD AND TRAUMA CLEANING SERVICES:] Core Services will also include biohazard and trauma cleaning services, provided that Franchisee satisfies Franchisor's then-current certification requirements and has successfully completed any training programs required by Franchisor.

"**Additional Core Services**" currently include the following mandatory services, which may be delivered by Franchisee to Customers directly or through a Subcontractor (including a general contractor, if licensing is required to perform such services): (i) temporary services (board-up, roof tarping, debris removal, and security); (ii) hoarding clean-up; (iii) HVAC/duct cleaning; (iv) textile cleaning (dry cleaning and soft contents); (v) electronics cleaning; (vi) document drying; (vii) art restoration; and (viii) carpet reinstallation.

Franchisor may add to, delete, or modify any of the Core Services, Additional Core Services, and Commercial Large Loss Disaster Restoration Services from time to time and shall include such changes in the Manual.

Franchisee is authorized only to offer or provide the products and services described in this ~~Section~~Paragraph 1, unless otherwise specified in the Manual or by Franchisor in writing. For the avoidance of doubt, asbestos abatement is not an approved service.

2. TERRITORY (Section 1.1): The Territory in which the Franchisee is granted a non-exclusive right and license to operate the Franchised Business is:

-Territory-

3. SOLICITING AND SERVING CUSTOMERS (Section 1.1): Notwithstanding Section 1.1 of the Agreement, Franchisee may perform services for a customer outside the Territory if such customer initiates the request or is referred to Franchisee by Franchisor. Franchisee may market and solicit pre-approved customers outside the Territory consistent with a pre-approved marketing plan approved by Franchisor and with the marketing standards as defined in the Manual. In the event of a national, regional CAT/Mini CAT, significant weather event, or any single large loss project, if requested by Franchisor, Franchisee will mobilize/dispatch a designated representative(s), equipment, and supplies consistent with the Manual. Franchisee will mobilize/dispatch a designated representative, equipment and supplies, regardless of project size, to the loss site for all project leads within a 500-mile radius of the Territory.

4. RENEWAL FEE (Section 2.2.2.12): The renewal fee shall be equal to 3% of the then-current initial license fee that is being charged to new franchisees at the time of renewal.

5. INITIAL LICENSE FEE (Section 4.1.1): The License is offered only as a transfer or renewal of an existing Recovery Management Services license. ~~If the Agreement pertains to an existing license, then~~As a result, no Initial License Fee shall be due.

6. MONTHLY ROYALTIES (Section 4.1.2):

[FOR NEW FRANCHISED BUSINESSESS:] The Royalties in each month will be equal to the greater of (i) 10% of the Franchisee's monthly Gross Service Sales and (ii) the Minimum Royalty. The "**Minimum Royalty**" will be (a) $0 per month during the first four months after the Effective Date, (b) $250 per month during the fifth through twelfth months after the Effective Date, and (c) $750 per month beginning on the first anniversary of the Effective Date and continuing thereafter.

[FOR RENEWING FRANCHISED BUSINESSESS AND TRANSFERRED FRANCHISED BUSINESSESS:] The Royalties in each month will be equal to the greater of (i) 10% of the Franchisee's monthly Gross Service Sales and (ii) $750.

7. AD FUND CONTRIBUTION (Section 4.2.1):

[FOR NEW AND TRANSFERRED FRANCHISED BUSINESSESS:] The monthly "**Ad Fund**

Contribution" is (a) 2% of the monthly Gross Service Sales achieved in the previous month for up to $7,500,000 in Group Sales in any calendar year and (b) 0.5% of the monthly Gross Service Sales achieved in the previous month for $7,500,000.01 or more in Group Sales in any calendar year. The Ad Fund Contribution may be changed by Franchisor from time to time, provided that the Ad Fund Contribution and the Local Advertising Commitment will not collectively exceed 4% of monthly Gross Service Sales.

A. ~~ROYALTY GROUP~~DETERMINING GROUPS. Franchisor may, in certain circumstances, permit Franchisee to combine the Franchised Business and certain other System Businesses owned by the Franchisee and its Affiliates into one group for the purpose of calculating certain fees (a "~~**Royalty**~~ **Group**"). Typically, a ~~Royalty~~ Group will consist of only one System Business. If Franchisee and its Affiliates own, now or in the future, more than one System Business, the following policies will apply:

a. Eligibility to Join Group: Only System Businesses that are owned by Franchisee or its Affiliates that operate under a Franchise Agreement that includes an Ad Fund Contribution that varies based on "Group Sales" are eligible to be added to a Group.

b. ~~a.~~ Contiguous or Overlapping Territory – Existing Franchises or New Franchises: If Franchisee or its Affiliates (i) own~~, as of April 30, 2025,~~ any System Businesses that have overlapping or contiguous territories or (ii) in the future acquire from Franchisor a new System Business (not through a transfer) with a territory that overlaps with, or is contiguous to, the territory of any System Businesses owned by Franchisee or its Affiliates, Franchisor will combine such overlapping or contiguous System Businesses into a single ~~Royalty~~ Group (if they are eligible for inclusion in a Group).

c. ~~b.~~ Contiguous or Overlapping Territory – Transferred Franchises: If Franchisee or its Affiliates acquire from an existing franchisee through a transfer one or more existing System Businesses that have territories that overlap with, or are contiguous to, the territory of Franchisee or its Affiliates' existing System Business(es), Franchisor may, in its sole discretion, either (i) combine the transferred System Businesses and the overlapping or contiguous System Businesses into a single ~~Royalty~~ Group or (ii) maintain the transferred System Businesses as a separate ~~Royalty~~ Group from Franchisee's or its Affiliates' existing ~~Royalty~~ Groups. There should be no expectation that any of the acquired System Businesses will be combined with Franchisee's or its Affiliates' existing ~~Royalty~~ Groups.

d. ~~c.~~ Non-contiguous or Non-overlapping Territory: If Franchisee or its Affiliates own or acquire (either through a transfer or purchase of a new franchise) any System Businesses that have territories that do not overlap with, or are not contiguous to, one another, Franchisor may, in its sole discretion, either (i) combine the separated System Businesses into Franchisee's or its Affiliates' existing ~~Royalty~~ Groups or (ii) maintain the separated System Businesses as one or more separate ~~Royalty~~ Groups. There should be no expectation that any non-contiguous or non-overlapping System Businesses will be combined with Franchisee's or its Affiliates' other System Businesses.

As of the Effective Date, the ~~Royalty~~ Group that is in effect under this Agreement includes the Franchised Business and the following System Businesses (if any): ____.

The ~~Royalty~~ Group may not be modified unless (a) Franchisor and Franchisee (and any impacted Affiliates) agree to do so in writing or (b) Franchisor modifies or dissolves the ~~Royalty~~ Group as an alternative remedy to termination of this Agreement, as specified in Section ~~13.5.8 of the Franchise~~13.5.10 of this Agreement (as detailed within Paragraph ~~14~~17 of this Exhibit).

B. ~~ROYALTY~~ GROUP SALES. The "~~Royalty~~ **Group Sales**" will be equal to the aggregate Gross Service Sales of all of the System Businesses in the ~~Royalty~~ Group. If a ~~Royalty~~ Group is created during a calendar year, the Gross Service Sales of all of the System Businesses in such ~~Royalty~~ Group that occurred during each full month of such calendar year prior to the date of the formation of the ~~Royalty~~ Group will be aggregated, and thereafter included in, the calculation of the ~~Royalty~~ Group Sales for such calendar year. If a System Business is added to the ~~Royalty~~ Group during a calendar year, the Gross Service Sales of such System Business during each full month of such calendar year will be added to, and thereafter included in, the calculation of the ~~Royalty~~ Group Sales for such calendar year. If a System Business is removed from the ~~Royalty~~ Group during a calendar year, the Gross Service Sales of such removed System Business in the portion of the full months of such calendar year that preceded the date of its removal will be included in the calculation of the ~~Royalty~~ Group Sales for such calendar year, but any Gross Service Sales of such removed System Business after its removal shall not be included in the calculation of the ~~Royalty~~ Group Sales going forward. Franchisee will report Gross Service Sales for each System Business separately, and Franchisor will aggregate such figures to determine the ~~Royalty~~ Group Sales.

> For example, if a System Business is removed from the ~~Royalty~~ Group because Franchisee is selling such business to a third party and such transfer occurs on September 17th, then the Gross Service Sales of such transferred business that occurred from January through August (including August) will remain part of the ~~Royalty~~ Group Sales, and any Gross Service Sales of the transferred business that occur from September 1 through and including September 17 will not be included in the ~~Royalty~~ Group Sales.

~~C. ROYALTIES FORMULA. The Royalties in each month will be equal to the Gross Service Sales in such month multiplied by the Applicable Royalty Rate (as defined in subsection D.).~~
[FOR RENEWING FRANCHISED BUSINESSES (LEGACY RENEWAL FRANCHISES):] The monthly "**Ad Fund Contribution**" is the greater of (a) 1% of the monthly Gross Service Sales achieved in the previous month and (b) $20.

~~D. DETERMINATION OF APPLICABLE ROYALTY RATE.~~

~~[INCLUDE THESE TWO PARAGRAPHS FOR TRANSFEREES AND EXISTING FRANCHISEES THAT ARE ELIGIBLE FOR A TRANSITION RATE UNDER THE TRANSITION PROGRAM:] From the Effective Date until the last day of the month in which the first anniversary of the Effective Date occurs (the "**Transition Period**"), the "**Applicable Royalty Rate**" shall be equal to [insert applicable transition rate]%.~~

~~After the Transition Period, the "**Applicable Royalty Rate**" for a given month shall be determined based on the Royalty Group Sales for such calendar year in accordance with the following scale (the "**Royalties Scale**"):~~

~~[INCLUDE THIS SENTENCE ONLY FOR NEW FRANCHISEES OR EXISTING FRANCHISEES THAT ARE **NOT** ELIGIBLE FOR A TRANSITION RATE UNDER THE TRANSITION PROGRAM:] Throughout the Term, the "**Applicable Royalty Rate**" for a given month shall be determined based on the Royalty Group Sales for such calendar year in accordance with the following scale (the "**Royalties Scale**"):~~

~~**ROYALTY TIER**~~	~~**RANGE OF ROYALTY GROUP SALES IN EACH CALENDAR YEAR**~~		~~**APPLICABLE ROYALTY RATE IN EACH TIER**~~
	~~**Minimum**~~	~~**Maximum**~~	
~~1~~	~~$0~~	~~$500,000~~	~~10%~~
~~2~~	~~$500,000.01~~	~~$1,000,000~~	~~9.15%~~
~~3~~	~~$1,000,000.01~~	~~$1,500,000~~	~~8.75%~~
~~4~~	~~$1,500,000.01~~	~~$2,000,000~~	~~8.35%~~
~~5~~	~~$2,000,000.01~~	~~$2,500,000~~	~~7.95%~~

~~ROYALTY TIER~~	~~RANGE OF ROYALTY GROUP SALES IN EACH CALENDAR YEAR~~		~~APPLICABLE ROYALTY RATE IN EACH TIER~~
	~~Minimum~~	~~Maximum~~	
~~6~~	~~$2,500,000.01~~	~~$3,000,000~~	~~7.55%~~
~~7~~	~~$3,000,000.01~~	~~$3,500,000~~	~~7.15%~~
~~8~~	~~$3,500,000.01~~	~~$4,000,000~~	~~6.75%~~
~~9~~	~~$4,000,000.01~~	~~$4,500,000~~	~~6.35%~~
~~10~~	~~$4,500,000.01~~	~~No maximum~~	~~5.95%~~

~~In a calendar year in which the Royalties Scale takes effect, the Royalty Group Sales (if any) for the Royalty Group will be aggregated for each of the full months of the calendar year preceding the implementation of the Royalties Scale to determine the beginning Royalty Tier and beginning Applicable Royalty Rate. When the Royalty Group Sales in such calendar year crosses into another Royalty Tier, the Applicable Royalty Rate will change. Beginning on January 1 of each calendar year, the Royalty Group Sales and Applicable Royalty Rate will reset, and Franchisee will begin paying Royalties at the Tier 1 level.~~

~~As an example, if the total Royalty Group Sales for 2025 was $2,700,000 and the Royalty Group Sales for January 2026 are $400,000, the Applicable Royalty Rate for January 2026 will be 10% (the Applicable Royalty Rate for Tier 1), since the Royalty Group Sales for 2026 would restart on January 1 and reach $400,000 by the end of January. If in February 2026, the same Royalty Group achieved $100,000 in Royalty Group Sales, the Applicable Royalty Rate would still be 10% (the Applicable Royalty Rate for Tier 1) by the end of February, because the aggregate Royalty Group Sales by the end of February 2026 would be $500,000.~~

~~As a further example, if Franchisee owns a Royalty Group that converts to the Royalties Scale on August 1, 2025, and the Royalty Group Sales for January through July were $1,700,000, the Applicable Royalty Rate for August would start at 8.35% (the Applicable Royalty Rate for Royalty Tier 4), even though the Royalty Group Sales were achieved prior to the implementation of such Royalties Scale. The Applicable Royalty Rate would then change when the Royalty Group Sales equals or exceeds $2,000,000.01 (which is the minimum amount for Royalty Tier 5). Once Royalty Tier 5 is reached, the Applicable Royalty Rate for Royalty Tier 5 (7.95%) would apply until the Royalty Group Sales reaches the next Royalty Tier threshold (which is $2,500,000.01 for Royalty Tier 6, with an Applicable Royalty Rate of 7.55%). This process will continue until the conclusion of such calendar year at which point the Royalty Group Sales and Applicable Royalty Rate will reset.~~

~~If the Applicable Royalty Rate changes in a month because the Royalty Group Sales crosses into one or more additional Royalty Tiers (as described in the Royalties Scale above), the Applicable Royalty Rate for such month shall be a blended royalty rate calculated by (a) multiplying the Royalty Group Sales in such month in each Royalty Tier by the Applicable Royalty Rate for such Royalty Tier, (b) adding the resulting amounts together, and (c) dividing such aggregated amount by the total Royalty Group Sales in such month.~~

~~For example, if the Royalty Group Sales for the calendar year at the start of July was $1,200,000 and the Royalty Group Sales for the month of July is $1,000,000, the Applicable Royalty Rate for the month is 8.39%, and the Royalties payment for the month of July would be $83,900, which is calculated as:~~

~~(x) The amount of the Royalty Group Sales in Tier 3 (which is the difference between $1,200,000 [the Royalty Group Sales as of July 1st] and $1,500,000 [the maximum amount for Tier 3], which is $300,000) multiplied by the Applicable Royalty Rate for Tier 3 (which is 8.75%), which equals $26,250; plus~~

~~(y) The amount of the Royalty Group Sales in Tier 4 (which is the difference between~~

~~$1,500,000.01 [the minimum amount for Tier 4] and $2,000,000 [the maximum amount for Tier 4], which is $500,000) multiplied by the Applicable Royalty Rate for Tier 4 (which is 8.35%), which equals $41,750; plus~~

~~(z) The amount of the Royalty Group Sales in Tier 5 (which is the difference between $2,000,000.01 [the minimum amount for Tier 5] and $2,200,000 [the Royalty Group Sales as of July 31st], which is $200,000) multiplied by the Applicable Royalty Rate for Tier 5 (which is 7.95%), which equals $15,900.~~

~~The sum of (x) + (y) + (z) = $83,900, which is then divided by $1,000,000 (the Royalty Group Sales for July). This calculation equals 8.39%, which is the Applicable Royalty Rate for July for the Royalty Group.~~

~~For clarity, the following table depicts the same calculation from the example above in a table format with the applicable portion of the Royalties Scale on the left and the $1,000,000 in Royalty Group Sales for July on the right, divided into the applicable Royalty Tiers:~~

~~Royalties Scale~~					~~July~~		
~~Royalty Tier~~	~~Minimum~~	~~Maximum~~	~~Rate~~		~~Sales~~	~~Royalties~~	~~Rate~~
~~1~~	~~$0~~	~~$500,000~~	~~10%~~		~~N/A~~	~~N/A~~	~~N/A~~
~~2~~	~~$500,000.01~~	~~$1,000,000~~	~~9.15%~~		~~N/A~~	~~N/A~~	~~N/A~~
~~3~~	~~$1,000,000.01~~	~~$1,500,000~~	~~8.75%~~		~~$300,000~~	~~$26,250~~	~~8.75%~~
~~4~~	~~$1,500,000.01~~	~~$2,000,000~~	~~8.35%~~		~~$500,000~~	~~$41,750~~	~~8.35%~~
~~5~~	~~$2,000,000.01~~	~~$2,500,000~~	~~7.95%~~		~~$200,000~~	~~$15,900~~	~~7.95%~~
~~6~~	~~$2,500,000.01~~	~~$3,000,000~~	~~7.55%~~		~~N/A~~	~~N/A~~	~~N/A~~
				~~**Total**~~	~~**$1,000,000**~~	~~**$83,900**~~	~~**8.39%**~~

~~For further clarity, the aggregate amount of Royalties paid would be the same, whether the Royalty Group is comprised of a single System Business or if there are multiple System Businesses in the Royalty Group. If the Franchised Business is the only System Business in the Royalty Group, the Royalties due for July would be $1,000,000 multiplied by 8.39%, which equals $83,900. If there are multiple System Businesses in the Royalty Group, then the sales for each System Business would be multiplied by the Applicable Royalty Rate to determine the Royalties due for each System Business. In this example if there are two System Businesses in the Royalty Group and the Gross Service Sales of one of the System Businesses in July is $400,000, the Royalties due for July for such System Business would be $400,000 multiplied by 8.39%, which equals $33,560. If the Gross Service Sales for the second System Business in July are $600,000, the Royalties due for July for the second System Business would be $600,000 multiplied by 8.39%, which equals $50,340. Taken together, the total Royalties due for the two System Businesses equals $83,900 [$33,560 + $50,340] (which is the same amount paid by a Royalty Group with only one System Business in it).~~

~~The range of Royalty Group Sales amounts in the Royalties Scale will increase annually on January 1 of each year of this Agreement in accordance with the Consumer Price Index, or 3%, whichever is greater. The updated ranges in the Royalties Scale will be published in the Manual. THE RANGES OF GROSS SERVICE SALES IN THE ROYALTIES SCALE IS IN NO WAY INTENDED TO IMPLY THAT FRANCHISEE WILL EXPERIENCE GROSS SERVICE SALES OF ANY PARTICULAR LEVEL.~~

~~7. AD FUND CONTRIBUTION (Section 4.2.1): The monthly "**Ad Fund Contribution**" is (a) 2% of the monthly Gross Service Sales achieved in the previous month for up to $7,500,000 in Royalty Group Sales in any calendar year and (b) 0.5% of the monthly Gross Service Sales achieved in the previous month for $7,500,000.01 or more in Royalty Group Sales in any calendar year. The Ad Fund Contribution may be changed by Franchisor from time to time,~~

~~provided that the Ad Fund Contribution and the Local Advertising Commitment will not collectively exceed 4% of monthly Gross Service Sales.~~

~~[INCLUDE THIS PARAGRAPH FOR TRANSFEREES AND EXISTING FRANCHISEES THAT ARE ELIGIBLE FOR THE TRANSITION PROGRAM:] If the total Ad Fund Contributions paid by the Royalty Group during the Transition Period reach [insert the total Ad Fund Contribution owed by the Royalty Group in the 12 full months preceding the Effective Date based on the fee structure applicable in the then-effective Franchise Agreements + $50,000], no further Ad Fund Contributions will be required for the Franchised Business for the remainder of the Transition Period. After the Transition Period, Franchisee must resume paying the Ad Fund Contribution for the Franchised Business in accordance with Section 4.2.1 (Ad Fund Contribution).~~

8. TECHNOLOGY FEES (Section 4.2.2): If the Restore 365 Plus software license fee is collected by Franchisor as part of the Technology Fee, such fee will not exceed $1,300 per month for Franchisee's principal place of business and $125 per month for each additional location. These fee caps supersede the general cap on Technology Fees (of 150% of Franchisor's and its Affiliates' costs and expenses) that is set forth in Section 4.2.2.

9. TRANSFER FEE (Section 4.3.3): The Transfer Fee shall be equal to (i) 10% of the then-current Initial License Fee charged to new franchisees at the time of the Transfer, except the Transfer Fee shall be (a) $3,500 if the Transfer is to an Owner's child who is at least 18 years of age or to an approved manager of the Franchised Business for at least five years that is current on all Franchisor-required training and certifications, (b) $500 if the Transfer is to an existing Owner, and (c) $500 if the Transfer is to a spouse of an existing Owner; plus (ii) Franchisor's and its Affiliates' costs and expenses incurred in connection with the Transfer, including attorneys' fees.

10. ~~9.~~ APPROVED SUPPLIERS (Section 5.3): In addition to the supplier requirements specified in Section 5.3, Franchisee agrees to utilize and mentor, to the extent available, a qualified ServiceMaster Restore® franchisee with a Disaster Restoration License that is located in the area that a loss occurs, as provided for in the Manual.

11. ~~10.~~ OWNERSHIP INTERESTS (Section 5.6 and 12.2.1): The following identifies all Owners and describes their ownership interests (whether direct or indirect) in Franchisee as of the Effective Date:

OWNER NAME	PERCENTAGE OWNERSHIP INTEREST

12. OPTIONAL PROGRAM FEES (Section 5.16.2): The Optional Program Fees include:

(a) Participation Fees. Franchisee may be required to pay fees to participate in Optional Programs ("**Participation Fees**"), provided that any Participation Fees payable to Franchisor or its Affiliates will not exceed $10,000 per year per Optional Program (which may be paid weekly, monthly, or annually).

(b) Referral Fees. Franchisee may be required to pay referral fees for each lead referred to such Franchisee through an Optional Program ("**Referral Fees**"), provided that any Referral Fees payable to Franchisor or its Affiliates will not exceed (i) for residential jobs, at Franchisor's option, a fixed fee of up to $350 per job or a percentage fee of up to 10% of the total invoiced amount for such job, and (ii) for commercial jobs, a percentage fee of up to 10% of the total invoiced amount for such job.

(c) Service Fees. Franchisee may be required to pay service fees for certain specified services provided by the Franchisor, its Affiliates, or third parties related to jobs generated through Optional Programs ("**Service Fees**"), provided that the Service Fees payable to Franchisor or its Affiliates will not exceed 150% of Franchisor's and its Affiliates' costs and expenses related to providing such products and/or services.

13. ~~11.~~ MINIMUM MONTHLY SALES REQUIREMENT (Section 5.17): The Minimum Monthly Sales Requirement is at least $7,500 in Gross Service Sales in each month of the Term (beginning in the 13th full month of operation of the Franchised Business).

14. ~~12.~~ MARKS (Section 6.1.3): The Marks of Franchisor or its Affiliates licensed to Franchisee under the Agreement are:

MARK	REGISTRATION NUMBER
SERVICEMASTER	782,584
The Color Yellow as applied to a vehicle	2,085,318
RESTORING PEACE OF MIND	3,371,397
SERVICEMASTER RESTORE (word mark)	3,716,787
SERVICEMASTER RESTORE with logo	3,834,551
800-RESPOND (word mark)	3,422,244
866 RECOVER (word mark)	3,422,245
SERVICEMASTER RECOVERY MANAGEMENT (word mark)	2,023,179

15. ~~13.~~ MARKETING PLAN (Section 10.1.1): Franchisee agrees as part of the Marketing Plan to provide contact information for all prospective customers marketed or solicited by Franchisee in the past year and any prospective customers that Franchisee intends to target in the upcoming year.

16. ~~14.~~ LOCAL ADVERTISING COMMITMENT (Section 10.1.2):

[FOR NEW AND TRANSFERRED FRANCHISED BUSINESSES:] The monthly "**Local Advertising Commitment**" in each month is (a) 2% of the monthly Gross Service Sales achieved in the previous month for up to $7,500,000 in ~~Royalty~~ Group Sales in any calendar year and (b) 3.5% of the monthly Gross Service Sales achieved in the previous month for $7,500,000.01 or more in ~~Royalty~~ Group Sales in any calendar year. The Local Advertising Commitment may be changed by Franchisor from time to time, provided that the Ad Fund Contribution and the Local Advertising Commitment will not collectively exceed 4% of monthly Gross Service Sales. The Ad Fund Contributions paid to Franchisor will not count as Eligible Marketing.

[FOR RENEWING FRANCHISED BUSINESSES (LEGACY RENEWAL FRANCHISES):] The monthly "**Local Advertising Commitment**" in each month is 4% of the monthly Gross Service Sales achieved in the previous month. The Ad Fund Contributions paid to Franchisor will count as Eligible Marketing.

17. ~~15.~~ OTHER REMEDIES (Section 13.5): The following is added to Section 13 as a new Section ~~13.5.8~~13.5.10:

~~13.5.8~~13.5.10 modify or dissolve, in Franchisor's sole discretion, any of the existing ~~Royalty~~ Groups of Franchisee and its Affiliates (even if the default giving rise to the termination right was a default by an Affiliate under a Related Agreement and even if the System Business of the defaulting Affiliate was part of a different ~~Royalty~~ Group from Franchisee's ~~Royalty~~ Group) in any manner that Franchisor deems appropriate, without regard to any existing rules or policies related to the formation of ~~Royalty~~ Groups.

For example, Franchisor may permanently separate into two or more new ~~Royalty~~ Groups any System Businesses with contiguous or overlapping territories that had been in a single ~~Royalty~~ Group.

As another example, if Franchisee and its Affiliates have 12 System Businesses divided into ~~Royalty~~ Group A with eight System Businesses and ~~Royalty~~ Group B with four System Businesses and there is a default under a Franchise Agreement for one of the System Businesses in ~~Royalty~~ Group A, Franchisor could modify both ~~Royalty~~ Group A and B in any way Franchisor deems appropriate. For example, Franchisor could choose to split ~~Royalty~~ Groups A and B into four new ~~Royalty~~ Groups with three System Businesses each. As another example, Franchisor could choose not to modify ~~Royalty~~ Group A but could split ~~Royalty~~ Group B into one ~~Royalty~~ Group with three System Businesses and one ~~Royalty~~ Group with one System Business.

18. ~~16.~~ POST-TERM COVENANT NOT TO COMPETE (Section 15.3): In addition to the post-term covenants not to compete in Section 15.3, the Covenanting Parties also covenant that for a period of one year after the after the earlier to occur of the expiration or termination of this Agreement, regardless of the cause of termination, except as otherwise approved in writing by Franchisor, the Covenanting Parties shall not, either directly or indirectly, for itself or through, on behalf of, or in conjunction with any other person, persons, partnership, corporation, or other entity market or solicit any prospective customer that Franchisee marketed to or customer that Franchisee serviced in the 24 months prior to the expiration or termination of this Agreement. Notwithstanding any other provision of this Agreement, the running of the non-compete period will be tolled for the period that any Covenanting Party fails to comply with the non-compete obligations in this Section 15.3, provided that Franchisor commences legal action to enforce this provision within the one-year non-compete period.

19. ~~17.~~ COMPETING BUSINESS (Section 28): "**Competing Business**" means a business which (a) offers or performs any of the various programs and services licensed by Franchisor within the System, including the Commercial Large Loss Disaster Restoration Services, Core Services, Additional Core Services, Supplemental Services, and Construction Services, or (b) manages, franchises, or licenses any of the businesses described in (a). "**Supplemental Services**" currently includes: (i) carpet and upholstery cleaning services (including cleaning, spot and pet odor removal, application of soil and stain protectors, anti-static agents, carpet inspection services, carpet maintenance, and power washing); (ii) hard surface floor maintenance; (iii) furniture cleaning services; (iv) cleaning rendered on a periodic basis (including wall, floor, ceiling and contents cleaning, kitchen and bathroom surface and fixture cleaning, deodorizing, and sanitizing); (v) washing windows (interior and exterior), blinds, and chandeliers; and (vi) power washing vehicles, decks, aluminum siding, driveways, and other exterior surfaces.

20. ~~18.~~ CONSTRUCTION SERVICES: Franchisee may not offer Construction Services, unless Franchisee enters into a Construction Services Amendment to this Agreement, which is attached to the Franchise Disclosure Document and includes terms related to such offering such services. If Franchisee does not wish to offer Construction Services, it must sign the Construction Services Amendment Opt-Out Option Acknowledgement that is attached to the Franchise Disclosure Document. "**Construction Services**" are defined as construction services including, but not limited to, framing carpentry, cabinetry removal and put back/installation, cabinetry repair, roofing, flooring, drywall and plastering, carpet and pad installation, painting,

wallpapering installation, and repair of heating, cooling, electrical and plumbing systems, which involve structural reconstruction, cosmetic restoration, or mechanical restoration associated with disaster restoration. ~~Construction Services are included in the calculation of Gross Service Sales and subject to the standard Royalties and Ad Fund Contribution.~~

21. ~~19.~~ CERTIFICATION FOR RENOVATIONS INVOLVING LEAD-BASED PAINT: The Franchised Business shall maintain at all times during the term of this Agreement a current certification with the United States Environmental Protection Agency ("**EPA**") for renovations involving lead-based paint and fully comply with the EPA's Lead Renovation, Repair and Painting Rule ("**LRRP Rule**"), 40 CFR 745, Subpart E promulgated under the Toxic Substances Control Act ("**TSCA**"), 15 U.S.C. 2682 and 2686 and provide a copy of such certification annually to ServiceMaster Restore.

Additionally, at all times during the Term, at least one employee of the Franchised Business must be certified as a Certified Renovator (as defined in the LRRP Rule) and shall be responsible for training other Franchised Business employees and supervising work practices involving lead-based paint including, but not limited to, removal, clean-up and waste disposal. All removal, clean-up and waste disposal procedures involving lead-based paint must fully comply with the TSCA and the LRRP Rule. Additionally, the Certified Renovator shall maintain complete project files for the services provided for three years following completion of the project in compliance with the TSCA and the LRRP Rules applicable to record keeping.

At a minimum, such project files shall include verifications of owner/occupant receipt of the Renovator Rights pamphlet or documentation of all attempts to inform, documentation of work practices, Certified Renovator certifications, and proof of training of Franchised Business employees by the Certified Renovator.

~~20. DISTRIBUTION OF LEADS AND REFERRAL FEES: Franchisor may from time to time receive leads from prospective customers. Franchisor shall distribute leads to franchisees that have Recovery Management Licenses in the sole discretion of Franchisor. Franchisee may or may not receive any leads from Franchisor. In addition, should Franchisee not be in Good Standing or in compliance with any of the standards of the License and/or System, Franchisee shall not be eligible to receive any leads from Franchisor.~~

22. ESTIMATING AS A SERVICE FEE: Franchisor or insurance carriers may require Franchisee to use Franchisor or its Affiliates to prepare estimates for jobs. If Franchisor or its Affiliates generate an estimate for Franchisee, Franchisee shall pay Franchisor a fee that will not exceed (a) $1,000 per job that is estimated to cost $50,000 or less and (b) 5% of the invoiced amount for any job estimated to cost more than $50,000.

[Signature Page Follows]

Signature Page to Exhibit A: Recovery Management Services License

FRANCHISOR	**FRANCHISEE**
SERVICEMASTER CLEAN/RESTORE SPE LLC	______________________________
By: ______________________________	By: ______________________________
Name: ______________________________	Name: ______________________________
Title: ______________________________	Title: ______________________________
Date: ______________________________	Date: ______________________________

EXHIBIT A
TO THE FRANCHISE AGREEMENT

SUPPLEMENTAL SERVICES LICENSE

This Exhibit is attached to and is an integral part of the ServiceMaster Restore® Franchise Agreement dated _______________ (the "**Agreement**"), by and between ServiceMaster Clean/Restore SPE LLC d/b/a ServiceMaster Restore (the "**Franchisor**") and «Franchisee Name» (the "**Franchisee**"), doing business under the name, «DBA Name». To the extent that any provisions of Exhibit A are in direct conflict with the provisions of the Agreement, the provisions of this Exhibit A shall control.

1. LICENSE (Recitals): A Supplemental Services License is being licensed to Franchisee under this Agreement. Franchisee understands and agrees that no other program or services are licensed to Franchisee under the Agreement. Pursuant to this Supplemental Services License, Franchisee is licensed to, and is required to, offer and provide Supplemental Services through the Franchised Business.

   "**Supplemental Services**" currently include the following required services, which must be delivered by Franchisee directly to customers (without the use of a Subcontractor) and which may only be provided on a non-recurring basis (and not in conjunction with contracted or recurring janitorial or housekeeping services): (i) carpet and upholstery cleaning services (including cleaning, spot and pet odor removal, application of soil and stain protectors, anti-static agents, carpet inspection services, carpet maintenance, and power washing); (ii) hard surface floor maintenance; (iii) furniture cleaning services; (iv) cleaning rendered on a periodic basis (including wall, floor, ceiling and contents cleaning, kitchen and bathroom surface and fixture cleaning, deodorizing, and sanitizing); (v) washing windows (interior and exterior), blinds, and chandeliers; and (vi) power washing vehicles, decks, aluminum siding, driveways, and other exterior surfaces.

   Franchisor may add to, delete, modify, or further define Supplemental Services from time to time, in its sole discretion, and shall include such changes in the Manual.

   Franchisee is authorized only to offer or provide the products and services described in this Paragraph 1, unless otherwise specified in the Manual or by Franchisor in writing. For the avoidance of doubt, Franchisee is not authorized to offer Core Services, Additional Core Services, or Construction Services, as defined in Paragraph 15 of this Exhibit.

2. TERRITORY (Section 1.1): The Territory in which the Franchisee is granted a non-exclusive right and license to operate the Franchised Business is:

   -Territory-

3. RENEWAL FEE (Section 2.2.2.12): The renewal fee shall be equal to 3% of the then-current initial license fee that is being charged to new franchisees at the time of renewal.

4. INITIAL LICENSE FEE (Section 4.1.1): The License is offered only as a transfer or renewal of an existing residential services license, window and carpet cleaning services license, or floor care services license. As a result, no Initial License Fee shall be due.

5. MONTHLY ROYALTIES (Section 4.1.2): The Royalties in each month will be equal to the greater of (i) 10% of the Franchisee's monthly Gross Service Sales and (ii) the Minimum Royalty. [FOR NEW FRANCHISED BUSINESSESS:] The "**Minimum Royalty**" will be (a) $0 per month during the first four months after the Effective Date, (b) $250 per month during the fifth through twelfth

months after the Effective Date, and (c) $750 per month beginning on the first anniversary of the Effective Date and continuing thereafter.

[FOR RENEWING FRANCHISED BUSINESSESS AND TRANSFERRED FRANCHISED BUSINESSESS:] The Royalties in each month will be equal to the greater of (i) 10% of the Franchisee's monthly Gross Service Sales and (ii) $750.

6. AD FUND CONTRIBUTION (Section 4.2.1):

[FOR NEW AND TRANSFERRED FRANCHISED BUSINESSESS:] The monthly "**Ad Fund Contribution**" is (a) 2% of the monthly Gross Service Sales achieved in the previous month for up to $7,500,000 in Group Sales in any calendar year and (b) 0.5% of the monthly Gross Service Sales achieved in the previous month for $7,500,000.01 or more in Group Sales in any calendar year. The Ad Fund Contribution may be changed by Franchisor from time to time, provided that the Ad Fund Contribution and the Local Advertising Commitment will not collectively exceed 4% of monthly Gross Service Sales.

A. DETERMINING GROUPS. Franchisor may, in certain circumstances, permit Franchisee to combine the Franchised Business and certain other System Businesses owned by the Franchisee and its Affiliates into one group for the purpose of calculating certain fees (a "**Group**"). Typically, a Group will consist of only one System Business. If Franchisee and its Affiliates own, now or in the future, more than one System Business, the following policies will apply:

a. Eligibility to Join Group: Only System Businesses that are owned by Franchisee or its Affiliates that operate under a Franchise Agreement that includes an Ad Fund Contribution that varies based on "Group Sales" are eligible to be added to a Group.

b. Contiguous or Overlapping Territory – Existing Franchises or New Franchises: If Franchisee or its Affiliates (i) own any System Businesses that have overlapping or contiguous territories or (ii) in the future acquire from Franchisor a new System Business (not through a transfer) with a territory that overlaps with, or is contiguous to, the territory of any System Businesses owned by Franchisee or its Affiliates, Franchisor will combine such overlapping or contiguous System Businesses into a single Group (if they are eligible for inclusion in a Group).

c. Contiguous or Overlapping Territory – Transferred Franchises: If Franchisee or its Affiliates acquire from an existing franchisee through a transfer one or more existing System Businesses that have territories that overlap with, or are contiguous to, the territory of Franchisee or its Affiliates' existing System Business(es), Franchisor may, in its sole discretion, either (i) combine the transferred System Businesses and the overlapping or contiguous System Businesses into a single Group or (ii) maintain the transferred System Businesses as a separate Group from Franchisee's or its Affiliates' existing Groups. There should be no expectation that any of the acquired System Businesses will be combined with Franchisee's or its Affiliates' existing Groups.

d. Non-contiguous or Non-overlapping Territory: If Franchisee or its Affiliates own or acquire (either through a transfer or purchase of a new franchise) any System Businesses that have territories that do not overlap with, or are not contiguous to, one another, Franchisor may, in its sole discretion, either (i) combine the separated System Businesses into Franchisee's or its Affiliates' existing Groups or (ii) maintain the separated System Businesses as one or more separate Groups. There should be no expectation that any non-contiguous or non-overlapping System Businesses will be combined with Franchisee's or its Affiliates' other System Businesses.

As of the Effective Date, the Group that is in effect under this Agreement includes the Franchised Business and the following System Businesses (if any):
____.

The Group may not be modified unless (a) Franchisor and Franchisee (and any impacted Affiliates) agree to do so in writing or (b) Franchisor modifies or dissolves the Group as an alternative remedy to termination of this Agreement, as specified in Section 13.5.10 of this Agreement (as detailed within Paragraph 14 of this Exhibit).

B. GROUP SALES. The "**Group Sales**" will be equal to the aggregate Gross Service Sales of all of the System Businesses in the Group. If a Group is created during a calendar year, the Gross Service Sales of all of the System Businesses in such Group that occurred during each full month of such calendar year prior to the date of the formation of the Group will be aggregated, and thereafter included in, the calculation of the Group Sales for such calendar year. If a System Business is added to the Group during a calendar year, the Gross Service Sales of such System Business during each full month of such calendar year will be added to, and thereafter included in, the calculation of the Group Sales for such calendar year. If a System Business is removed from the Group during a calendar year, the Gross Service Sales of such removed System Business in the portion of the full months of such calendar year that preceded the date of its removal will be included in the calculation of the Group Sales for such calendar year, but any Gross Service Sales of such removed System Business after its removal shall not be included in the calculation of the Group Sales going forward. Franchisee will report Gross Service Sales for each System Business separately, and Franchisor will aggregate such figures to determine the Group Sales.

For example, if a System Business is removed from the Group because Franchisee is selling such business to a third party and such transfer occurs on September 17th, then the Gross Service Sales of such transferred business that occurred from January through August (including August) will remain part of the Group Sales, and any Gross Service Sales of the transferred business that occur from September 1 through and including September 17 will not be included in the Group Sales.

[FOR RENEWING FRANCHISED BUSINESSES (LEGACY RENEWAL FRANCHISES):] The monthly "**Ad Fund Contribution**" is the greater of (a) 1% of the monthly Gross Service Sales achieved in the previous month and (b) $20.

7. TECHNOLOGY FEES (Section 4.2.2): If the Restore 365 Plus software license fee is collected by Franchisor as part of the Technology Fee, such fee will not exceed $1,300 per month for Franchisee's principal place of business and $125 per month for each additional location. These fee caps supersede the general cap on Technology Fees (of 150% of Franchisor's and its Affiliates' costs and expenses) that is set forth in Section 4.2.2.

8. TRANSFER FEE (Section 4.3.3): The Transfer Fee shall be equal to (i) 10% of the then-current Initial License Fee charged to new franchisees at the time of the Transfer, except the Transfer Fee shall be (a) $3,500 if the Transfer is to an Owner's child who is at least 18 years of age or to an approved manager of the Franchised Business for at least five years that is current on all Franchisor-required training and certifications, (b) $500 if the Transfer is to an existing Owner, and (c) $500 if the Transfer is to a spouse of an existing Owner; plus (ii) Franchisor's and its Affiliates' costs and expenses incurred in connection with the Transfer, including attorneys' fees.

9. OWNERSHIP INTERESTS (Section 5.6 and 12.2.1): The following identifies all Owners and describes their ownership interests (whether direct or indirect) in Franchisee as of the Effective Date:

OWNER NAME	PERCENTAGE OWNERSHIP INTEREST

10. OPTIONAL PROGRAM FEES (Section 5.16.2): The Optional Program Fees include:

(a) Participation Fees. Franchisee may be required to pay fees to participate in Optional Programs ("**Participation Fees**"), provided that any Participation Fees payable to Franchisor or its Affiliates will not exceed $10,000 per year per Optional Program (which may be paid weekly, monthly, or annually).

(b) Referral Fees. Franchisee may be required to pay referral fees for each lead referred to such Franchisee through an Optional Program ("**Referral Fees**"), provided that any Referral Fees payable to Franchisor or its Affiliates will not exceed (i) for residential jobs, at Franchisor's option, a fixed fee of up to $350 per job or a percentage fee of up to 10% of the total invoiced amount for such job, and (ii) for commercial jobs, a percentage fee of up to 10% of the total invoiced amount for such job.

(c) Service Fees. Franchisee may be required to pay service fees for certain specified services provided by the Franchisor, its Affiliates, or third parties related to jobs generated through Optional Programs ("**Service Fees**"), provided that the Service Fees payable to Franchisor or its Affiliates will not exceed 150% of Franchisor's and its Affiliates' costs and expenses related to providing such products and/or services.

11. MINIMUM MONTHLY SALES REQUIREMENT (Section 5.17): The Minimum Monthly Sales Requirement is at least $7,500 in Gross Service Sales in each month of the Term (beginning in the 13th full month of operation of the Franchised Business).

12. MARKS (Section 6.1.3): The Marks of Franchisor or its Affiliates licensed to Franchisee under the Agreement are:

MARK	REGISTRATION NUMBER
SERVICEMASTER	782,584
The Color Yellow as applied to a vehicle	2,085,318
RESTORING PEACE OF MIND	3,371,397
SERVICEMASTER RESTORE (word mark)	3,716,787
SERVICEMASTER RESTORE with logo	3,834,551
800-RESPOND (word mark)	3,422,244
866 RECOVER (word mark)	3,422,245

13. LOCAL ADVERTISING COMMITMENT (Section 10.1.2):

[FOR NEW AND TRANSFERRED FRANCHISED BUSINESSES:] The monthly "**Local Advertising Commitment**" in each month is (a) 2% of the monthly Gross Service Sales achieved in the previous month for up to $7,500,000 in Group Sales in any calendar year and (b) 3.5% of the monthly Gross Service Sales achieved in the previous month for $7,500,000.01 or more in Group Sales in any calendar year. The Local Advertising Commitment may be changed by Franchisor from time to time, provided that the Ad Fund Contribution and the Local Advertising Commitment will not collectively exceed 4% of monthly Gross Service Sales. The Ad Fund Contributions paid to

Franchisor will not count as Eligible Marketing.

[FOR RENEWING FRANCHISED BUSINESSES (LEGACY RENEWAL FRANCHISES):] The monthly "**Local Advertising Commitment**" in each month is 4% of the monthly Gross Service Sales achieved in the previous month. The Ad Fund Contributions paid to Franchisor will count as Eligible Marketing.

14. OTHER REMEDIES (Section 13.5): The following is added to Section 13 as a new Section 13.5.10:

13.5.10 modify or dissolve, in Franchisor's sole discretion, any of the existing Groups of Franchisee and its Affiliates (even if the default giving rise to the termination right was a default by an Affiliate under a Related Agreement and even if the System Business of the defaulting Affiliate was part of a different Group from Franchisee's Group) in any manner that Franchisor deems appropriate, without regard to any existing rules or policies related to the formation of Groups.

For example, Franchisor may permanently separate into two or more new Groups any System Businesses with contiguous or overlapping territories that had been in a single Group.

As another example, if Franchisee and its Affiliates have 12 System Businesses divided into Group A with eight System Businesses and Group B with four System Businesses and there is a default under a Franchise Agreement for one of the System Businesses in Group A, Franchisor could modify both Group A and B in any way Franchisor deems appropriate. For example, Franchisor could choose to split Groups A and B into four new Groups with three System Businesses each. As another example, Franchisor could choose not to modify Group A but could split Group B into one Group with three System Businesses and one Group with one System Business.

15. COMPETING BUSINESS (Section 28): "**Competing Business**" means a business which (a) offers or performs any of the various programs and services licensed by Franchisor within the System, including the Core Services, Additional Core Services, Supplemental Services, and Construction Services, or (b) manages, franchises, or licenses any of the businesses described in (a).

"**Core Services**" currently include a full range of the following mandatory services, which must be delivered by Franchisee directly to customers (without the use of a Subcontractor): (a) disaster restoration services delivered primarily to customers who have experienced loss from water damage or other manmade or natural events or disasters, including fires, floods, earthquakes, storms, and systems failures (including sewer, plumbing electrical or otherwise); and (b) commercial services delivered to the management or tenants of any commercial or institutional building. Specifically, these services currently include (i) water mitigation (emergency water mitigation/restoration 24 hours per day), (ii) structural drying (including carpet, walls, wood floors and other relevant structural materials), (iii) structural cleaning (post fire/smoke and post construction), (iv) mold remediation (state licensing may be required), (v) contents cleaning and moving (inventory, pack-out, moving, cleaning, storage, and pack-back), (vi) cleaning and disinfection to limit the survival of viruses and emerging viral pathogens, (vii) consulting, and (viii) equipment rental.

"**Additional Core Services**" currently include the following mandatory services, which may be delivered by Franchisee, at its option, directly or through a Subcontractor (including a general contractor, if licensing is required to perform such services): (i) temporary services (board-up, roof tarping, debris removal, and security); (ii) hoarding clean-up; (iii) HVAC/duct cleaning; (iv) textile cleaning (dry cleaning and soft contents); (v) electronics cleaning; (vi) document drying; (vii) art restoration; and (viii) carpet reinstallation.

"**Construction Services**" are defined as construction services including, but not limited to, framing carpentry, cabinetry removal and put back/installation, cabinetry repair, roofing, flooring, drywall and plastering, carpet and pad installation, painting, wallpapering installation, and repair of heating, cooling, electrical and plumbing systems, which involve structural reconstruction, cosmetic restoration, or mechanical restoration associated with disaster restoration.

Franchisor may add to, delete, or modify any of the Core Services, Additional Services, or Construction Services from time to time and shall include such changes in the Operations Manual.

16. CONSTRUCTION SERVICES: Franchisee may not offer Construction Services and must sign the Construction Services Amendment Opt-Out Option Acknowledgement that is attached to the Franchise Disclosure Document.

17. ESTIMATING AS A SERVICE FEE: Franchisor or insurance carriers may require Franchisee to use Franchisor or its Affiliates to prepare estimates for jobs. If Franchisor or its Affiliates generate an estimate for Franchisee, Franchisee shall pay Franchisor a fee that will not exceed (a) $1,000 per job that is estimated to cost $50,000 or less and (b) 5% of the invoiced amount for any job estimated to cost more than $50,000.

Signature Page to Exhibit A: ~~Recovery Management~~Supplemental Services License

FRANCHISOR	**FRANCHISEE**
SERVICEMASTER CLEAN/RESTORE SPE LLC	______________________________
By:______________________________	By:______________________________
Name: ___________________________	Name: ___________________________
Title: ___________________________	Title: ___________________________
Date: ___________________________	Date: ___________________________

EXHIBIT B
TO THE FRANCHISE AGREEMENT

GENERAL RELEASE

THIS GENERAL RELEASE ("**Release**") is executed on ______________________________(the "**Effective Date**") by:

(i) __________________________, a [state] [individual or type of entity] with a principal address at _________________________________ (**"Franchisee"**);

(ii) __________________________, a [state] [individual or type of entity] with a principal address at_________________________________[and ___________________________, a [state] [individual or type of entity] with a principal address at _________________________________] (**"Owners"**); and, if applicable,

(iii) __________________________, a [state] [individual or type of entity] with a principal address at _________________________________ (**"Transferee"**).

RECITALS

A. ServiceMaster Clean/Restore SPE LLC (**"Franchisor"**) and Franchisee are parties to the following Franchise Agreements (collectively, the "**Franchise Agreements**"):

Franchise Agreement Number(s)	**Date of Agreement**

B. Franchisee, Owners, and (if applicable) Transferee are executing this Release as a condition of (check one):

____(i) Franchisor consenting to a transfer of any interest in the Franchise Agreement or Franchisee's business or entity;

____(ii) Franchisor agreeing to enter into a successor Franchise Agreement with Franchisee; or

____(iii) Franchisor agreeing to amend the Franchise Agreement or waive any of its rights under the Franchise Agreement.

If this Release is executed under the conditions set forth in (ii) or (iii) above, all references in this Release to "Transferee" should be ignored.

AGREEMENT

In consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is hereby agreed as follows:

1. **Release by Franchisee, Transferee, and Owners.** Franchisee and Transferee (on behalf of themselves and their parents, subsidiaries, and affiliates and their respective past and present officers, directors, shareholders, managers, members, agents, and employees, in their corporate and individual capacities), and Owners (on behalf of themselves and their respective heirs, representatives, successors and assigns) (collectively, the **"Releasors"**) freely and without any influence, unconditionally and irrevocably, forever release and discharge (i) Franchisor, (ii) Franchisor's past and present officers, directors,

shareholders, managers, members, agents, and employees, in their corporate and individual capacities, and (iii) Franchisor's past and present parents, subsidiaries, predecessors, and affiliates and their respective past and present officers, directors, shareholders, managers, members, agents, and employees, in their corporate and individual capacities (collectively, the **"Released Parties"**), from any and all charges, complaints, claims, debts, demands, liabilities, obligations, promises, agreements, controversies, damages, actions, suits, rights, judgments, costs, losses, debts and expenses of whatever kind or nature, and causes of action of whatever kind or nature (based upon any legal or equitable theory, whether contractual, common law, statutory, federal, state, local, or otherwise), whether known or unknown, vested or contingent, or suspected or unsuspected (collectively, **"Claims"**), which any Releasor ever owned or held, now owns or holds, or may in the future own or hold arising out of, or relating to, any act, omission, or event occurring on or before the date of this Release, including, without limitation, (a) Claims arising out of, or relating to, (a) violations of federal, state, and local laws, rules, and ordinances, unless specifically prohibited by such laws, (b) the Franchise Agreement and any other agreements between any Releasor and Franchisor or Franchisor's parents, subsidiaries, or affiliates, (iii) the business relationship between any of the Releasors and any of the Released Parties, (iv) the offer, sale, or execution of the Franchise Agreement, (v) Franchisor's performance of its obligations under the Franchise Agreement including, but not limited to, any actions for breach of contract, fraud or misrepresentation, violation of any franchise laws or regulations, violation of any state or federal antitrust or securities laws or regulations, or violation of common law, or (vi) any purchase of product, fees, or other items purchased or paid for by Franchisee from any of the Released Parties.

2. **Risk of Changed Facts.** Franchisee, Transferee, and Owners (on behalf of all Releasors) (a) understand that the facts in respect of which the release in Section 1 is given may turn out to be different from the facts now known or believed by them to be true and (b) hereby accept and assume the risk of the facts turning out to be different and agree that the release in Section 1 shall nevertheless be effective in all respects and not subject to termination or rescission by virtue of any such difference in facts.

3. **Covenant Not to Sue.** Franchisee, Transferee, and Owners (on behalf of all Releasors) covenant not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any person or entity released under Section 1 with respect to any Claim released under Section 1.

4. **No Prior Assignment and Competency.** Franchisee, Transferee, and Owners (on behalf of all Releasors) represent and warrant that: (a) the Releasors are the sole owners of all Claims and rights released in Section 1 and that the Releasors have not assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim released under Section 1; (b) each Releasor has full and complete power and authority to execute this Release, and that the execution of this Release shall not violate the terms of any contract or agreement between them or any court order; and (c) this Release has been voluntarily and knowingly executed after each of them has had the opportunity to consult with counsel of their own choice.

5. **No Liability.** Franchisee, Transferee, and Owners (on behalf of all Releasors) jointly and severally, agree that no past, present, or future director, officer, employee, incorporator, member, partner, shareholder, affiliate, controlling party, vendor, service provider, agent, or attorney of Franchisor, or entity under common control, ownership, or management with Franchisor, will have any liability for (a) any of Franchisor's obligations or liabilities relating to or arising from the Franchise Agreement, (b) any claim against Franchisor based on, in respect of, or by reason of, the relationship between Franchisee and Franchisor, or (c) any claim against Franchisor based on any alleged unlawful act or omission.

6. **Complete Defense.** Franchisee, Transferee, and Owners (on behalf of all Releasors): (a) acknowledge that the release in Section 1 shall be a complete defense to any Claim released under Section

1; and (b) consent to the entry of a temporary or permanent injunction to prevent or end the assertion of any such Claim.

7. **Waiver of Statutory Preservation Provisions.** Franchisee, Transferee, and Owners (on behalf of all Releasors) each expressly waives any rights or benefits conferred by the provisions of Section 1542 of the California Civil Code, to the extent such provision would be applicable, which provides as follows:

> A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

This waiver extends to any other statute or common law principle of similar effect in any applicable jurisdiction, including without limitation, California and or any other jurisdiction in which the Releasors reside. Franchisee, Transferee, and Owners (on behalf of all Releasors) acknowledge and represent that they have each consulted with legal counsel before executing this release and that they understand its meaning, including the effect of Section 1542 of the California Civil Code, and expressly consent that this release shall be given full force and effect according to each and all of its express terms and provisions, including, without limitation, those relating to the release of unknown and unsuspected claims, demands, and causes of action.

8. **Claims Under Washington Franchise Investment Protection Act.** This Release shall not apply to any Claims arising under the Washington Franchise Protection Act, RCW 19.100, and the rules adopted thereunder.

9. **Successors and Assigns.** This Release will inure to the benefit of and bind the successors, assigns, heirs, and personal representatives of the Released Parties and each Releasor.

10. **Counterparts.** This Release may be executed in two or more counterparts (including by scanned copy), each of which shall be deemed an original, and all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, Franchisee, Transferee, and Owners have executed this Release as of the Effective Date.

FRANCHISEE

____

By:______________________________
Name: ____________________________
Title: ____________________________
Date: ____________________________

OWNER

____

By:______________________________
Name: ____________________________
Title: ____________________________
Date: ____________________________

TRASNFEREE

____

By:______________________________
Name: ____________________________
Title: ____________________________
Date: ____________________________

OWNER

____

By:______________________________
Name: ____________________________
Title: ____________________________
Date: ____________________________

EXHIBIT C
TO THE FRANCHISE AGREEMENT

ELECTRONIC FUNDS TRANSFER AUTHORIZATION FORM

This authorizes ServiceMaster Clean/Restore SPE LLC ("**Franchisor**") and any of its affiliates (collectively, with Franchisor, the "**Authorized Parties**") to use the banking information provided below in accordance with the terms of the Franchise Agreement.

Franchisee: ____

Name of bank: ____

Address of bank: ______________________________________

Name of account holder: _______________________________

Name as it appears on account: __________________________

Address of account holder: ______________________________

Account Number: ______________________________________

Routing Number: ______________________________________

Type of Account: Checking OR Savings

Franchisee hereby authorizes the Authorized Parties to debit the checking/savings account identified above in order to pay all fees, charges, and any other amounts owed pursuant to the terms of the Franchise Agreement entered into between Franchisee and Franchisor and any other agreement between Franchisee and the Authorized Parties (including ongoing operating fees, the cost of any products or services purchased from the Authorized Parties, and any other amounts owing to the Authorized Parties under the Franchise Agreement or any other agreement with the Authorized Parties, including interest and late fees); and, if necessary, to initiate adjustments for any transactions debited in error. These debits are related to the operation of a franchised business and the amount of each debit will vary from month to month. This authorization will remain in full force and effect until Franchisor has received written notification from Franchisee of its termination in such time and in such manner as to afford Franchisor a reasonable opportunity to act on it. Termination of this authorization may result in the termination of the Franchise Agreement, unless an alternate means of payment acceptable to Franchisor is provided.

By: __________________________
Name:_________________________
Title:__________________________
Date:__________________________

OFFICE USE ONLY

Account Code: ____
Store Name / Location: _________________________________
Date: _________________ User: _________________________

EXHIBIT D

TO THE FRANCHISE AGREEMENT

PERSONAL GUARANTY AND AGREEMENT TO BE BOUND PERSONALLY BY THE TERMS AND CONDITIONS OF THE FRANCHISE AGREEMENT

In consideration of the execution of the Franchise Agreement by Franchisor, and for other good and valuable consideration, the undersigned (including each owner holding directly or indirectly a 15% or greater ownership interest in Franchisee's entity) (collectively and individually, the "**Guarantor**"), jointly and severally, do hereby become surety and guaranty, and agree to be personally bound for the prompt and full payment of all amounts and the performance of the covenants, terms and conditions of the Franchise Agreement and any Related Agreement (as defined in Section 28 (Definitions) of the Franchise Agreement), to be paid, kept and performed by Franchisee as though the undersigned and each of them executed an agreement containing the identical terms and conditions of the Franchise Agreement.

In addition to the other Franchise Agreement provisions, each Guarantor agrees to be personally bound to the confidentiality provision in Section 8.1 (Confidential Information) of the Franchise Agreement and the noncompete covenants in Section 15 (Covenants) of the Franchise Agreement.

In addition, if Franchisee fails to comply with or defaults on any other terms and conditions of the Franchise Agreement or any Related Agreement, then the Guarantor, and any successors or assigns to this Guaranty Agreement, do hereby, individually, jointly and severally, promise and agree to comply with the terms and conditions of the Franchise Agreement for and on behalf of Franchisee. Guarantor hereby waives acceptance of this Guaranty Agreement by Franchisor and waives presentment, demand for payment, protest, notice of dishonor, and any other notice or demand of any kind and the necessity of Franchisor instituting legal proceedings against the Franchisee. Furthermore, Guarantor consents that Franchisor will have the right, without notice, to deal in any way at any time with Franchisee or any other guarantor, or to grant any such party any extensions of time for payment of any indebtedness, or to sell, release, surrender, exchange, substitute, settle, compromise, waive, subordinate, or modify, with or without consideration and on such terms and conditions as may be acceptable to Franchisor, any and all collateral, security, guaranties, obligations, indebtedness, liabilities, notes, instruments, or other evidence of indebtedness concerning which payment is guaranteed hereby, or grant any other indulgences or forbearances whatever, without in any way affecting of the Guarantor's liabilities under this Guaranty Agreement.

Guarantor agrees that any indebtedness by Franchisee to Guarantor, for any reason, currently existing, or which might arise after this Guaranty Agreement, will at all times be inferior and subordinate to any indebtedness owed by Franchisee to Franchisor. Guarantor agrees that as long as Franchisee owes any monies to Franchisor (other than payments that are not past due) Franchisee will not pay and Guarantor will not accept payment of any part of any indebtedness owed by Franchisee to Guarantor, either directly or indirectly, without the consent of Franchisor.

Guarantor agrees that the liability of Guarantor is independent of any other guaranties at any time in effect with respect to all or any part of Franchisee's indebtedness to Franchisor, and that the liability created hereby may be enforced regardless of the existence of any other guaranties. Guarantor agrees that the liability of Guarantor is independent of any other guaranties at any time in effect with respect to all or any part of Franchisee's indebtedness to Franchisor, and that the liability created hereby may be enforced regardless of the existence of any other guaranties.

Except as precluded by applicable law, each of the undersigned hereby submits to personal jurisdiction exclusively in the state and federal courts of the State of Georgia with respect to any litigation, action or proceeding pertaining to this Personal Guaranty or the Franchise Agreement and agrees that all such proceedings will and must be venued in the State of Georgia. Each of the undersigned consents and agrees that they are subject to and will abide by the dispute resolution provisions contained in the Franchise Agreement. Additionally, Guarantor agrees to pay Franchisor all costs and expenses, including reasonable attorneys' fees, incurred in enforcing this Guaranty Agreement.

GUARANTOR AND FRANCHISOR ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL ONE, BUT THAT IT MAY BE WAIVED. EACH PARTY, AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF THEIR CHOICE, KNOWINGLY AND VOLUNTARILY, AND FOR THEIR MUTUAL BENEFIT, WAIVES ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION REGARDING THE PERFORMANCE OR ENFORCEMENT OF, OR IN ANY WAY RELATED TO, THIS GUARANTY AGREEMENT OR THE INDEBTEDNESS COVERED BY THIS GUARANTY AGREEMENT.

Notwithstanding anything in this Guaranty to the contrary, the undersigned, if Franchisee is in full compliance with this Franchise Agreement and all Related Agreements between Franchisee and Franchisor and its affiliates, shall have no personal liability for any indemnity obligation under Section 17.3 (Indemnification) of the Franchise Agreement if and for so long as Franchisee obtains and maintains in full force and effect the following additional insurance policies, with Franchisor named as an additional insured under all such policies which provide actual coverage for the claim for which Franchisor is to be indemnified. For revenues reported by Franchisee for the last 12 months which equal or are less than $3,000,000, and in addition to the insurance requirements set forth in Section 11.2 (Coverage Requirements) of the Franchise Agreement, a general liability umbrella or excess liability policy of $1,000,000 of additional coverage (including automobile liability). For revenues reported by Franchisee for the last 12 months which exceed $3,000,000, $2,000,000 is required.

GUARANTORS

By:________________________________

Name: ______________________________

Address:______________________________

City/State/Zip:________________________

By:________________________________

Name: ______________________________

Address:______________________________

City/State/Zip:________________________

By:________________________________

Name: ______________________________

Address:______________________________

City/State/Zip:________________________

By:________________________________

Name: ______________________________

Address:______________________________

City/State/Zip:________________________

#	Entity Name	Address	City	State	Zip	Telephone
11444	LEGACY 7 BUILDERS INC.	50 Ellis RD	Saint Augustine	Florida	32095	858-951-8008
11445	LEGACY 7 BUILDERS INC.	50 Ellis RD	Saint Augustine	Florida	32095	858-951-8008
11446	LEGACY 7 BUILDERS INC.	50 Ellis RD	Saint Augustine	Florida	32095	858-951-8008
6314	Disaster Services of SRQ, Inc.	8437 Tuttle Avenue #147	Sarasota	Florida	34243	941-377-2455
6315	Disaster Services of SRQ, Inc.	8437 Tuttle Avenue #147	Sarasota	Florida	34243	941-377-2455
9570	Platinum Water and Fire Restoration LLC	3525 Agricultural Center Dr Unit 602	St. Augustine	Florida	32092	858-951-8008
9571	Platinum Water and Fire Restoration LLC	3525 Agricultural Center Dr Unit 602	St. Augustine	Florida	32092	858-951-8008
9572	Platinum Water and Fire Restoration LLC	3525 Agricultural Center Dr Unit 602	St. Augustine	Florida	32092	858-951-8008
11316	Thomas Four, Inc.	1615 Capital Circle NE Suite A	~~Tallahasse~~Tallahassee	Florida	32308	850-402-8930
11317	Thomas Four, Inc.	1615 Capital Circle NE Suite A	~~Tallahasse~~Tallahassee	Florida	32308	850-402-8930
11318	Thomas Four, Inc.	1615 Capital Circle NE Suite A	~~Tallahasse~~Tallahassee	Florida	32308	850-402-8930
11319	Thomas Four, Inc.	1615 Capital Circle NE Suite A	~~Tallahasse~~Tallahassee	Florida	32308	850-402-8930
10936	DSI Holdings Corporation	7840 Professional Place	Tampa	Florida	33637	866-623-6633
10937	DSI Holdings Corporation	7840 Professional Place	Tampa	Florida	33637	866-623-6633
10938	DSI Holdings Corporation	7840 Professional Place	Tampa	Florida	33637	866-623-6633
10939	DSI Holdings Corporation	7840 Professional Place	Tampa	Florida	33637	866-623-6633
10940	DSI Holdings Corporation	7840 Professional Place	Tampa	Florida	33637	866-623-6633
10941	DSI Holdings Corporation	7840 Professional Place	Tampa	Florida	33637	866-623-6633
5907	3 Ball Enterprises, LLC	1505 10th Ave.	Vero Beach	Florida	32960	772-567-4435
7242	3 Ball Enterprises, LLC	1505 10th Ave.	Vero Beach	Florida	32960	772-567-4435

extends beyond the termination of the franchise. This provision may not be enforceable under California law.

H. The Franchise Agreement requires binding arbitration to be conducted in the metropolitan area of our then-current principal place of business (currently, Atlanta, Georgia). You are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a Franchise Agreement restricting venue to a forum outside the State of California.

I. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF OUR WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

4. No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on behalf of us. This provision supersedes any other term of any document executed in connection with the franchise.

ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF CALIFORNIA

This Addendum relates to franchises sold in the state of California and is intended to comply with California statutes and regulations. In consideration of the execution of the Franchise Agreement ("Agreement"), the parties agree to amend the Agreement as follows:

The following paragraphs shall be added as new Sections 14.13 and 14.14:

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

14.14 The Agreement contains a covenant not to compete, which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

Section 15.3, is amended by the addition of the following language at the end of the paragraph:

The Franchisee's obligations stated in this Section 15.3 shall apply only where the fulfillment of such obligations would inherently call upon the Franchisee to disclose and/or use any portion of the Franchisor's trade secrets or other confidential information. All other provisions of this ~~agreement~~Agreement apply and will be fully enforced to the maximum extent permitted by law whether or not California law applies.

The following paragraph shall be added as new Section 24.1.3.1:

The Agreement requires binding arbitration. The arbitration will occur in the metropolitan area of the Franchisor's then-current principal place of business (currently, Atlanta, Georgia) with the costs being borne by the non-prevailing party to the arbitration. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The following paragraph shall be added as Section 25.1:

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

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF MINNESOTA

This Addendum relates to the franchises and Franchisees subject to the Minnesota Franchise Act. Item numbers correspond to those in the main body:

1. Cover Page

Risk Factors:

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL. RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE AGREEMENT OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY ~~CONDISERATION~~CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OF AGREEMENT SHOULD BE REFERRED TO FOR UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND FRANCHISEE.

2. Item 13

Item 13 is amended by the addition of the following language to the original language that appears therein:

> The Franchisor will protect the Franchisee’s right to use the trademarks, service marks, trade names, logotypes of other commercial symbols or indemnify the Franchise from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

3. Item 17

Item 17e and f is amended by the addition of the following language to the original language that appears therein:

> With respect to franchises governed by Minnesota law, we will comply with Minnesota Stat. Sec. 80C.14 subds. 3, 4 and 5 which require, except in certain specified cases, that you will be given 90 days’ notice of

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this ~~Amendment~~Addendum to the Franchise Agreement on the same day and year that the Franchise Agreement has been executed.

SERVICEMASTER CLEAN/RESTORE SPE LLC:	FRANCHISEE:
	______________________________
By: ____________________	By: ____________________
Name: ________________	Name: ________________
Title: _________________	Title: _________________

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, THE FRANCHISE AGREEMENT, AND ALL RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the ~~Franchise~~ Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the ~~franchised business~~Franchised Business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. Conflict of Laws. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. Franchisee Bill of Rights. RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the ~~Franchise~~ Disclosure Document, are subject to state law.

3. Site of Arbitration, Mediation, and/or Litigation. 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.

4. General Release. A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. Statute of Limitations and Waiver of Jury Trial. Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

7. Termination by Franchisee. The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. Certain Buy-Back Provisions. Provisions in franchise agreements or related agreements 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.

17. Prohibitions on Communicating with Regulators. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the ~~Franchise~~ Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. Advisory Regarding Franchise Brokers. Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

19. Deferral of Initial Fees. Section 4 of the Franchise Agreement is revised to add the following:

The Washington Department of Financial Institutions Securities Division requires the franchisor to defer collection of the Initial License Fee until the franchisor has fulfilled its initial pre-opening obligations under this Agreement and the franchisee is open for business.

20. Representations. Sections 21.3 (No Other Representations), 27.3 (Acknowledgements in Certain States), and 29 (Representations by Franchisee) of the Franchise Agreement are deleted in their entirety.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Addendum to the Agreement on the same day and year that the Agreement has been executed.

SERVICEMASTER CLEAN/RESTORE SPE LLC:	FRANCHISEE:
	______________________________
By: __________________	By: __________________
Name: _______________	Name: _______________
Title: _______________	Title: _______________

Exhibit G to the FDD

SOFTWARE LICENSE AGREEMENTS

Exhibit G-1
~~Estimating and Pricing~~Xactware Software License Agreement

Restore 365 Plus

Software License Agreement

This agreement (the "**Agreement**") entered into this_______________day of_____________________, ~~20~~____20___ (the "**Effective Date**"), by and between ServiceMaster Clean/Restore SPE LLC ("~~SVM~~**SM**"), a Delaware limited liability company, having its principal office at One Glenlake Parkway, 14th Floor, Atlanta, Georgia 30328 and __________________________("**Licensee**"), a(n) ____________________ having its principal office at _______________________________ (each a "**Party**" and collectively the "**Parties**"), determines the rights and licenses granted to Licensee in the ~~Customized~~Licensed Software (hereinafter defined) supplied by ~~SVM~~SM hereunder.

RECITALS

A. Licensee has entered into one or more franchise agreements with SM or its Affiliates to operate one or more ServiceMaster Restore® franchises ("**SM Franchises**").

B. SM's predecessor entered into a master services agreement with Next Gear Solutions, LLC (d/b/a Cotality) ("**Developer**") dated September 10, 2014 (as it may have been or may in the future be amended, the "**Master Agreement**") pursuant to which Developer has developed and licensed to SM and/or its Affiliates a customized, proprietary suite of software based on the Cotality Software (as defined below), which is referred to as Restore 365 Plus and may be modified from time to time (the "**Licensed Software**"); and

C. SM has the right to license the Licensed Software to its franchisees solely for the purpose of using such software in conjunction with the operation of SM Franchises. Licensee desires to obtain a license to use the Licensed Software in accordance with the terms of this Agreement.

AGREEMENT

1. Definitions. As used herein, the following definitions shall apply:

1.1. "**Affiliates**" means entities that (a) a party directly or indirectly controls; (b) are controlled by such party; or (c) are under common control with such party. For purposes of the preceding sentence, "control" means direct or indirect ownership or control of more than 50% of the voting interests of the subject entity, or with respect to a mutual insurance company, a contractual affiliation in a manner recognized by the various state insurance departments by virtue of its annually filed holding company statement.

1.2. ~~1.1.~~ "**Commencement Date**" means the date that Licensee begins to use the ~~Customized~~Licensed Software.

1.3. ~~1.2.~~ "**Confidential Information**" shall include, to the extent designated by the Disclosing Party: (i) the source or object code in the ~~DASH software or the Customized software; and/or~~Cotality Software or the Licensed Software; (ii) such other information as ~~Licensee or SVM~~the Disclosing Party may consider proprietary or confidential~~.~~; and/or (iii) the trade secrets, know-how, proprietary information, formulae, processes, techniques, and/or information concerning past, present, and future marketing, financial, research, and development activities that may be disclosed, whether orally or in writing, from or on behalf of a party (in such capacity, "**Disclosing Party**") to the other party (in such capacity, "**Receiving Party**"), or that may be otherwise received or accessed by Receiving Party in connection with this Agreement, whether transmitted prior to or after the Effective Date. "Confidential Information" includes, without limitation, all data, programs, messages, information, and other material (a) provided to Receiving Party by or on behalf of Disclosing Party; (b) obtained, developed, or produced by Supplier in connection with the Agreement; (c) to which Supplier has access in connection with the provision of the Services; or (d) that should reasonably be considered confidential given its nature. Personal Information and Customer Data are "Confidential Information". "Confidential Information" excludes information (i) previously known to Receiving Party without an obligation of confidence; (ii) independently developed by or for Receiving Party or Receiving Party's employees, consultants, or agents without reference to, or use of, the Confidential Information; (iii) lawfully acquired by Receiving Party from a third party which is not, to Receiving Party's knowledge, under an obligation of confidence with respect to such information; or (iv) which is or becomes publicly available through no fault of Receiving Party or by no breach of the Agreement.

1.4. ~~1.3.~~ "**Confidential Live Claims Data**" means live claims data ~~belonging to~~collected by Licensee that are protected by personal information protection laws.

~~1.4. "Customized Software" means the customized computer program developed by Developer based on the DASH Software which is to be used by Licensee to track business functions and to interface with SVM.~~

1.5. "~~DASH~~**Cotality Software**" means the existing suite of computer software products created and owned by Developer and marketed as ~~DASH Enterprise, DASH Franchise, DASH Contractor, DASH Thin Contractor, and DASH View~~Validate (f/k/a QA Assist), DASH Administer, DASH Enterprise, CRM (f/k/a Luxor), BI Reporting, and Engage (f/k/a ProAssist).

~~1.6. "Developer" means Next Gear Solutions, LLC, a Mississippi limited liability company having its principal office at 9 Industrial Park Drive, Suite 110, Oxford, MS 38655.~~

1.6. ~~1.7.~~ "**Developer's** ~~Trade Marks~~**Trademarks**" means the marks "DASH", "DASH Enterprise", "DASH ~~Franchise", "DASH Contractor", "DASH View", and "DASH Thin Contractor."~~Administer", "Validate", "CRM," "Engage", and "BI Reporting," which are owned by Developer or its Affiliates.

1.7. ~~1.8.~~ "**Documentation**" means all manuals, user documentation, and other related materials pertaining to the ~~Customized~~Licensed Software ~~which~~and/or Cotality Software that are furnished to Licensee by ~~SVM in connection with the Customized Software~~SM or Developer.

~~1.9. "Master Agreement" means that certain Software Master License Agreement effective September 10, 2014 between Developer and SVM, pursuant to which Developer has granted SVM the right and license to enter into this Agreement and similar agreements between SVM and its franchisees. Licensee is a third party beneficiary under the Master Agreement.~~

1.8. ~~1.10.~~ "**Primary Location**" means any office or place of business that is designated by Licensee as its primary location for purposes of use of the License rights granted under this Agreement. Secondary Location means any other location at which the Licensee conducts business.

2. Grant of License. Subject to the terms and conditions of this Agreement, ~~SVM~~SM hereby grants, and Licensee hereby accepts, a non-exclusive right to use the ~~Customized~~Licensed Software ("**License**"); it being understood and agreed that such License includes the non-exclusive right to use the ~~DASH~~Cotality Software.

2.1 **Locations.** Subject to the approval of ~~SVM~~SM, Licensee shall have the right to designate: (a) one ~~(1)~~ office or place of business as its Primary Location for Licensee's use of the ~~Customized~~Licensed Software, subject to the complete payment of the associated fees hereunder; and (b) additional offices as Secondary Locations, subject to the complete payment of the associated fees hereunder.

2.2 **Documentation.** ~~SVM~~SM or Developer may provide Documentation to Licensee subject to the terms of this Agreement, in print or electronic form, in connection with the provision of any of the ~~Customized~~Licensed Software. Licensee must not reproduce or create customizations of the Documentation unless Licensee receives prior written approval from ~~SVM~~SM.

2.3 **Licensee Use.** Use by Licensee of any of the ~~Customized~~Licensed Software shall be governed by the terms and conditions set forth in this Agreement. Licensee may only use the Licensed Software in conjunction with the operation of SM Franchises.

3. Limitations. The rights granted in the Agreement are subject to the following limitations:

3.1 **Dangerous Applications.** Licensee must not provide any ~~Customized~~Licensed Software for use in controlling the operation of equipment in any nuclear facilities, aircraft navigation, aircraft communications or flight control systems, air traffic control, mass transit, medical equipment (FDA class 2 or 3 or equivalent), or weapons systems, or in any other inherently dangerous applications in which the failure of the ~~Customized~~Licensed Software could lead directly to death, personal injury, or severe physical or environmental damage, unless Developer creates any of the ~~Customized~~Licensed Software for such use and certifies to Licensee in writing that the ~~Customized~~Licensed Software may be used for an application under the subsection.

3.2 **Full Functionality.** Licensee shall not adversely affect the full functionality of any of the ~~Customized~~Licensed Software or alter any information within any of the ~~Customized~~Licensed Software.

4. Developer's Services.

4.1 **Setup.** When Licensee executes this ~~agreement, SVM shall schedule~~Agreement, if the Licensed Software has not previously been installed at the Primary Location, SM shall arrange for Developer to provide setup services ~~for each~~at the Primary Location. ~~All set-up services shall be scheduled in accordance with an SVM system-wide Roll-Out Schedule to be agreed upon between SVM and Developer. Licensee must pay the Initial Fee defined in Section 6.1 not less than 30 days prior to the schedule setup date,~~

4.2 **General Upgrades.** ~~SVM~~SM shall provide Licensee access free of charge to all general software upgrades and updates to the ~~Customized~~Licensed Software that shall be created from time to time by Developer and made available to ~~SVM~~SM.

4.3 **Technology Support (Service Levels).** Under the Master Agreement, Developer has agreed to provide the technology support and comply with the service levels set forth on Exhibit A, attached hereto and incorporated by reference herein. Developer and SM may agree to modify the technology support and service levels from time to time.

4.4 **User Technology Requirements.** Licensee shall meet the User Technology Requirements set forth in Exhibit B, attached hereto and incorporated by reference herein. Licensed Software may be unilaterally amended by SM or Developer from time to time, which may result in different User Technology Requirements.

5. Intellectual Property.

5.1 **Computer Code.** The object code and the source code used in the ~~DASH~~Cotality Software and ~~Customized~~Licensed Software is proprietary to the Developer and title to it remains with the Developer. Developer exclusively retains all applicable rights in, and protections for, copyrights, trade secrets, patents, trademarks and other intellectual property rights in the source code and object code used in the ~~DASH~~Cotality Software and ~~Customized~~Licensed Software and any modifications or enhancements thereof, whether initiated by Developer, made at ~~SVM's~~SM's request, or otherwise undertaken, and nothing in this Agreement shall be construed to limit Developer's right or ability to use, reproduce, license, market, or distribute: (i) the object code or source code in the ~~DASH~~Cotality Software or ~~Customized~~Licensed Software; or (ii) any derivative software based on the ~~DASH~~Cotality Software or ~~Customized~~Licensed Software; nor shall Licensee have any such rights in: (i) the object code or source code in the ~~DASH~~Cotality Software or ~~Customized~~Licensed Software; or (ii) any derivative software based on the ~~DASH~~Cotality Software or ~~Customized~~Licensed Software.

5.2 **Documentation.** The Documentation is proprietary to Developer and right and title to it remains with the Developer. Developer exclusively retains all applicable rights in, and protections for, copyrights, trade secrets, patents, and other intellectual property rights in the Documentation and any modifications or enhancements thereof, whether initiated by Developer, made at ~~SVM's~~SM's request, or otherwise undertaken, and nothing in this Agreement shall be construed to limit Developer's right or ability to use, reproduce, license, market or distribute the Documentation any products based on the Documentation.

5.3 **~~Trade Marks~~Trademarks.** Developer's ~~Trade Marks~~Trademarks are proprietary to the Developer and title to them remains with the Developer. Developer exclusively retains all applicable rights in, and protections for, copyrights, trademarks and other intellectual property rights in Developer's ~~Trade Marks. SVM's Trade Marks~~Trademarks. SM's Trademarks are proprietary to ~~SVM~~SM and title to them remains with the ~~SVM. SVM~~SM. SM exclusively retains all applicable rights in, and protections for, copyrights, trademarks and other intellectual property rights in ~~SVM's Trade Marks~~SM's Trademarks. The Parties acknowledge that the ~~Customized~~Licensed Software will be exclusively marketed by ~~SVM~~SM under the "~~SVM~~SM" ~~trade mark~~Trademark, and that the ~~Customized~~Licensed Software is a customized version of the ~~DASH~~Cotality Software.

5.4 **Trade Secrets.** Licensee acknowledges and agrees that the source code and object code in the ~~DASH~~Cotality Software and ~~Customized~~Licensed Software are Developer's exclusive property and constitute a valuable trade secret of Developer.

5.5 **Security.** Licensee agrees to secure and protect the ~~Customized~~Cotality Software, Licensed Software, and Documentation in a manner consistent with the maintenance of Developer's rights therein and to take appropriate action by instruction or agreement with its employees, agents, or consultants who are permitted access to the ~~customized~~Licensed Software and Documentation to satisfy Licensee's obligation hereunder.

5.6 **No Modifications.** Licensee may not alter, change, enhance, re-program or otherwise modify in any manner the ~~DASH~~Cotality Software or ~~Customized~~Licensed Software, or any portion thereof or decompile, disassemble or reverse engineer the ~~DASH~~Cotality Software or ~~Customized~~Licensed Software, or any portion thereof or author, develop or create derivative works based on the ~~DASH~~Cotality Software or ~~Customized~~Licensed Software.

6. **License Fees.** The timely payment of fees hereunder is of the essence to this Agreement. Licensee shall be responsible for tendering the fees set below to ~~SVM~~SM in a timely manner. Failure to make timely payments hereunder shall be considered a material breach of this Agreement.

6.1 **Initial Fee.** Upon execution of this Agreement, Licensee shall pay a one-time fee of ~~Three Thousand Five Hundred Dollars (~~$3,500~~)~~ (the "**Initial Fee**") per Primary Location. In the event that Licensee elects to operate the ~~Customized~~Licensed Software at one or more Secondary Locations, License shall not be assessed an Initial Fee for any Secondary Location.

6.2 **Monthly Fee.** Licensee shall pay ongoing fees of ~~Four Hundred Dollars (~~up to $~~400)~~1,300 per month per Primary Location and up to $125 per month per Secondary Location ("**Monthly Fees**"). ~~In the event that Licensee elects to operate the Customized Software at one or more Secondary Locations, License shall pay Monthly Fees of Fifty Dollars (~~Currently, such Monthly Fees are $625 per month per Primary Location and $50~~)~~ per month per Secondary Location, but SM may increase the fees up to the caps upon written notice to Licensee.

6.3 **QAA Audit Fee**. Licensee shall pay a per job audit fee of up to $40 for each job submitted for review in the QAA automated audit tool (the "**Audit Fee**"). Currently, the Audit Fee is $15 per job, but SM may increase the fees up to the caps upon written notice to Licensee.

7. **Timing.** All recurring Monthly Fees shall be due on the first day of the month for which payment is being made (i.e., October payments shall be due on October 1st, etc.). ~~The Initial Fee shall be due on the Effective Date of this Agreement.~~Audit Fees will be due on the 25th day of the month following the use of the tool. The due dates for payments under this Agreement can be changed by SM by giving Licensee ten day written notice and such due dates can be changed by Developer at any time without advanced notice.

8. **Developer's Services.** Licensee shall pay Developer directly for any training or additional services that

Developer offers from time to time in connection with the ~~Customized~~Licensed Software or ~~DASH~~Cotality Software. Additional services are those services not described in Exhibit A. ~~SVM~~SM will assist Licensee in obtaining a pricing list from Developer for any proposed additional services. ~~Set up~~Set-up services described in Section 4.1 are included in the ~~initial fee set forth in section 6.1~~Initial Fee.

9. **Term.** Unless otherwise terminated or canceled as provided herein, the term of this Agreement (the "**Term**") and of the License rights granted hereunder shall commence on the Commencement Date and shall terminate on ~~September 9~~January 1, ~~2019~~2027.

10. **~~Maintenance Of~~Data Protection and Access~~ To Data~~.**

10.1. ~~10.1 **Confidential Live Claims Data.** Confidential Live Claims Data belonging to Licensee and which is stored on one or more databases, shall remain the sole property of that Licensee~~**Unauthorized Data Access.** Under the Master Agreement, in the event that Developer's consumer notification obligations are triggered under any jurisdiction due to unauthorized access of data stored on any database, Developer shall notify ~~SVM~~both SM and ~~all~~Licensee (if affected~~ Franchisees; and SVM and all affected Franchisees~~), at Developer's sole cost and expense, shall offer Developer reasonable cooperation and assistance so that Developer may satisfy any of Developer's obligations to notify any other entities and individuals required by law.

10.2. ~~10.2~~ **Insolvency or Inoperability.** Under the Master Agreement, in the event Developer is adjudicated insolvent by a government or judicial agency pursuant to Chapter 7 of Title 11 of the United States Code or Developer is unable to continue servicing ~~SVM~~SM and Licensee under the terms of this Agreement, Developer shall provide ~~SVM~~SM a copy of Licensee's database containing all Licensee data necessary to continue use of the ~~Customized~~Licensed Software, unless ~~SVM~~SM has first failed to timely pay Developer any fees hereunder or Licensee is in default of any other provision of this Agreement and such default has not been cured within 90 days after Developer gives ~~SVM~~SM written notice thereof.

11. **Information Security**. Under the Master Agreement, Developer has agreed to implement and maintain security controls and measures that meet or exceed all reasonable disaster recovery and restoration industry standards and protocols, it being understood and agreed that all such reasonable standards and protocols of the disaster recovery and restoration industry shall include all data security requirements of property and casualty insurers with whom members of the disaster recovery and restoration industry customarily do business.

12. **Confidentiality.**

12.1 **Confidential Information – Mutual**

(a) During the Term of this Agreement, each Party will have access to and contact with Confidential Information of the other Party. The Parties will not, during the Term or at any time thereafter, disclose to others, or use for either Party's benefit or the benefit of others, any Confidential Information of the other Party. The Parties will protect the confidentiality of all Confidential Information using each Party's best efforts, and will use Confidential Information only as reasonably necessary to effect the terms of this Agreement.

~~(b) For purposes of this Agreement, "Confidential Information" will mean, by way of illustration and not limitation, all information (whether or not patentable and whether or not copyrightable) concerning the business of each Party and its customers, Work Product, written records pertaining to Work Product, vendor information, apparatus, equipment, trade secrets, processes, research, reports, technical data, formulas, know-how, technology, marketing or business plans, forecasts, tax information, unpublished financial information or business results, budgets, prices, costs and employee lists that are communicated to, learned of, developed or otherwise acquired by a Party.~~
~~(c) The Parties' obligations under this Section 12 will not apply to any information that: (i) was rightfully possessed by one Party before it was received from the other; (ii) is independently developed by one Party without reference to the other's Confidential Information; (iii) is subsequently furnished to a Party by a third party not under any obligation of confidentiality with respect to such information or data, and without restrictions on use or disclosure; or (iv) is or becomes public or available to the general public other than through any act or omission of a Party.~~
(b) ~~(d)~~ Each Party represents to the other that its performance under this Agreement does not, and will not, breach any agreement that obligates it to keep in confidence any trade secrets or confidential or proprietary information of its own or of any third party or to refrain from competing, directly or indirectly, with the business of any third party. Neither Party will disclose to the other any trade secrets or confidential or proprietary information of any third party.

(c) ~~(e)~~ The Parties acknowledge that the Parties from time to time may have agreements with other persons that impose obligations or restrictions on them regarding inventions made during the course of work under such agreements or regarding the confidential nature of such work. The Parties agree to be bound by all such obligations and restrictions that are known to the Parties and to take all action necessary to discharge the obligations of the Parties under such agreements.

(d) ~~(f)~~ Upon termination or expiration of this Agreement for any reason, and in any event upon either Party's request, all Confidential Information and all other information of one Party held by the other Party (in all forms and types of media) will be returned to the other Party or disposed of in such manner as the other Party dictates.

12.2 **Remedies.** The Parties acknowledge that any breach of the provisions of this Section 12, may result in serious and irreparable injury to a Party for which such Party may not be adequately compensated by monetary damages alone. The Parties agree, therefore, that, in addition to any other remedy it may have, the Parties will be entitled to enforce the specific performance of this Agreement and to seek both temporary and permanent injunctive relief (to the extent permitted by law) without the necessity of proving actual damages.

12.3 **Parties' Personnel.** Each of a Party's personnel performing ~~Services~~services, whether an employee of the Party or otherwise, will be made aware of and subject to the provisions of this Section 12, and each Party agrees to indemnify, defend and hold harmless the other Party for any loss, cost, or damage (including reasonable attorneys' fees and costs) incurred by or assessed against either Party as a result of or in connection with any failure of any such individual to comply with the requirements of this Section 12.

13. Research and Analysis. ~~Under~~ Licensee acknowledges that, under the Master Agreement, Developer has reserved ~~(and therefore Licensee grants to Developer)~~ the right to access and use Confidential Live Claims Data stored on the database for the limited purpose of research and analysis related to the industry as a whole. Any reports, presentations or other materials containing information derived from Confidential Live Claims Data stored on the databases shall not be disclosed to any Party unless (a) Confidential Live Claims Data contains no identifying information that would reasonably identify it as belonging to Licensee, and (b) Confidential Live Claims Data is used only in the aggregate.

14. Privacy and Data Use Policy. All data of Licensee collected by ~~SVM~~SM or to which ~~SVM~~SM has access in connection with the ~~Customized~~Licensed Software shall be subject to the ~~SVM~~SM Privacy and Data Use Policy in effect from time to time between ~~SVM~~SM and its Franchisees~~. Changes to the SVM Privacy and Data Use Policy will be discussed with the National Franchise Council and notice will be provided prior to implementation of changes to that policy.~~ and the terms of any franchise agreements between SM and Licensee.

15. Warranty.

15.1. ~~**15.1**~~ **Developer's Warranty**. Under the Master Agreement, Developer has made the following warranties:

(a) Developer covenants and warrants that it will comply at all times with all applicable laws and regulations of any jurisdiction in which a License is in effect, including all laws relating to data protection and privacy.

(b) Developer warrants that ~~its Services~~that the maintenance and support, consulting, and professional services that it provides under the Master Agreement will be performed in a professional and workmanlike manner in accordance with applicable professional standards.

(c) Developer warrants that the ~~Customized~~Licensed Software meets all performance, functionality and technical requirements required under the Master Agreement.

(d) Developer warrants that Developer is the sole owner of the ~~Customized~~Licensed Software, including all ~~DASH~~Cotality Software incorporated into the ~~Customized~~Licensed Software and that the ~~Customized~~Licensed Software does not infringe the intellectual property rights of any third party.

DISCLAIMER. THE PRECEDING ARE DEVELOPER'S ONLY WARRANTIES CONCERNING ITS SERVICES AND ARE MADE EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES AND REPRESENTATIONS, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY OR OTHERWISE.

15.2. **Waiver of Liability.** Licensee acknowledges and agrees that SM is sublicensing the Licensed Software to Licensee and that Developer is solely responsible for any damages or harm that may result from Licensee's use of the Licensed Software. Licensee waives liability of SM for Developer's breach of the obligations and warranties that are identified in this Agreement as being obligations or warranties of

Developer under the Master Agreement. Licensee acknowledges that Licensee is a third-party beneficiary under the Master Agreement; and Licensee agrees that Licensee's only recourse for breach of such obligations or warranties shall be against Developer directly.

15.3. ~~15.2~~ **No Representations or Warranties by Licensee.** Licensee must not make any representation or warranty with respect to any of the ~~Customized~~Licensed Software on ~~SVM~~SM or Developer's behalf.

16. Indemnity.

16.1 **Mutual Indemnity.** Each Party (the "**Indemnitor**") will indemnify, defend and hold harmless the other Party (the "**Indemnitee**"), its directors, officers, shareholders, employees and agents, from and against any third party claims, demands, loss, cost, damage, expense or liability (including reasonable attorneys' fees and costs) assessed against or incurred by the Indemnitee to the extent arising out of or related to: (i) bodily injury or death of any person or damage to property resulting from the negligent or willful acts or omissions of the Indemnitor; (ii) the Indemnitor being deemed not to be an independent contractor of the Indemnitee; or (iii) a breach by the Indemnitor of the representations and warranties in this Agreement ("**Claim**").

16.2 **Licensee's Indemnity.** Licensee (the "**Indemnitor**") shall defend, indemnify and hold harmless ~~SVM~~SM and Developer (each, the "**Indemnitee**"), their directors, officers, shareholders, employees and agents, from any claim from a third party directly or indirectly arising as a result of: (i) Licensee installing any ~~Customized~~Licensed Software outside generally accepted industry standards; ~~and~~(ii) any software virus introduced by Licensee to ~~Customized~~the Licensed Software; (~~ii~~iii) Licensee's acts and omissions in connection with this Agreement; and (~~iii~~iv) any loss or damage suffered by ~~SVM~~SM or Developer, for which Licensee has been compensated by a third party, which ~~SVM~~SM or Developer would not have suffered if ~~SVM~~SM or Developer were a ~~third party~~third-party beneficiary, if the law governing Licensee's agreement with ~~SVM~~SM prevents ~~SVM~~SM or Developer from being a valid third party beneficiary of Licensee's agreement with ~~SVM~~SM ("**Claim**").

~~16.3 **Developer's Indemnity.** Under the Master Agreement, Developer (the "**Indemnitor**") has agreed, inter alia, to indemnify, defend and hold harmless SVM (the "**Indemnitee**"), its directors, officers, shareholders, employees and agents, from and against any third party claims, demands, loss, cost, damage, expense or liability (including reasonable attorneys' fees and costs) assessed against or incurred by the Indemnitee to the extent arising out of or related to: any claim that the Customized Software or other materials delivered under the Master Agreement or prepared for SVM as part of the Master Agreement infringes any copyright, patent, trade secret or other proprietary right of any third party ("**Claim**").~~

16.3 ~~16.4~~ **Claims.** If any Claim is brought or asserted against an Indemnitee, Indemnitor shall retain counsel to represent Indemnitee and Indemnitor shall control the proceeding but shall regularly consult with Indemnitee and its counsel regarding the defense. The Indemnitee shall have the right to participate in such defense through counsel of its own choosing at Indemnitee's sole expense if the Claim or settlement thereof could result in the imposition of an injunction or other equitable relief on or materially interfere with the business or operations of Indemnitee. In no event shall Indemnitor consent to an entry of judgment or enter into any settlement agreement that does not include a full release of Indemnitee. To receive the foregoing indemnity, the Indemnitee must promptly notify the Indemnitor of a claim or suit and provide reasonable cooperation and authority to defend and/or settle the claim or suit. The Indemnitor shall not enter into any settlement agreements related to this indemnity that have an impact, monetary or otherwise, on the Indemnitee, without receiving the prior written consent of the Indemnitee, with such consent not to be unreasonably withheld.

17. Termination.

17.1 **Termination by Either Party.** Either party may terminate this Agreement upon 30 days' written notice to the other party.

17.2 ~~17.1~~ **Termination by SM.** ~~SVM~~SM may immediately terminate this Agreement and any license granted hereunder, if:

(a) Licensee fails to timely pay ~~SVM~~SM any fees hereunder; provided, however, before terminating the Agreement and halting service for non-payment, ~~SVM~~SM agrees to provide Licensee with written notice ~~thirty (30)~~10 days in advance of any such termination; and if Licensee pays outstanding balances in full prior to the expiration of ~~thirty (30)~~10 days, termination for non-payment will be avoided;

(b) Licensee is in default of any other provision of this Agreement and such default has not been cured within ~~90~~30 days after ~~SVM~~SM gives Licensee written notice thereof;

(c) Licensee becomes insolvent or seeks protection, voluntarily or involuntarily, under any bankruptcy law;

(d) Licensee is in default of any provision of any ServiceMaster Franchise Agreement or any related agreement(s) in effect between ~~SVM~~SM or any ~~SVM affiliate~~of its Affiliate(s) and such default has not been cured within the time period required under said ServiceMaster Franchise Agreement or other agreement(s); ~~or~~

(e) Licensee, for any reason, ceases to be a franchisee of ~~SVM.~~SM or any of SM's Affiliates; or

(f) the Master Agreement expires or is terminated for any reason.

17.3 ~~17.2~~ **Rights upon Termination.** In the event of termination of this Agreement ~~pursuant to Section 17.1, SVM~~for any reason, SM may:

(a) Declare all amounts owed hereunder to ~~SVM~~SM to be immediately due and payable (including all payments which are or would have been become due and payable under Section 6 were this Agreement not to have been terminated prematurely), provided however, if Licensee has paid all fees identified in Section 6.1, and Licensee has made payments under Section 6.2 for 24 months, then amounts owed under this section (a) are limited to amounts due but unpaid as of the date the agreement is terminated;

(b) Require the Licensee to cease any further use of the ~~Customized~~Licensed Software, Documentation, or any portion of the ~~Customized~~Licensed Software or Documentation;

(c) Cease performance of all of ~~SVM's~~SM's obligations hereunder without liability to Licensee; and

(d) Require the immediate return or destruction of any and all copies of the Documentation, ~~Customized~~Licensed Software, and upgrades or modifications to ~~Customized~~Licensed Software.

17.4 ~~17.3~~ **Rights Cumulative.** ~~SVM's~~SM's foregoing rights and remedies under Section ~~17.2~~17.3 shall be cumulative and in addition to all other rights and remedies available to ~~SVM~~SM in law and in equity.

~~17.4 **Termination of Master Agreement.**~~

~~(a) Under the Master Agreement, SVM has the right to terminate the Master Agreement with or without cause at any time on or after September 10, 2017. In the event that SVM exercises this right under the Master Agreement, then SVM shall also have the right to terminate this Agreement upon nine (9) months prior written notice to Licensee (for example, if SVM exercises its right to terminate the Master Agreement as of an effective date of termination of September 10, 2017, then SVM must give Licensee notice of termination of this Agreement at least nine (9) months prior to such effective date of termination).~~

~~(b) Under the Master Agreement, SVM also has the right to terminate the Master Agreement if Developer breaches any obligation set forth in the Master Agreement and subsequently fails to cure such breach within 90 days of being provided written notice thereof by SVM. In the event that SVM exercises this right under the Master Agreement, then SVM shall also have the right to terminate this Agreement immediately upon the effective date of termination of the Master Agreement. SVM will provide notice to the National Franchise Council of a pending termination pursuant to this Section 17.4(b) relating to Developer defaults of its obligations under the Master Agreement at least 60 days prior to the termination date. Provided however, the failure to provide notice to the National Franchise Council will not prevent SVM from exercising its right to terminate this Agreement.~~

~~In the event of a termination pursuant to Section 17.4, SVM will require that Developer provide Licensee its data in a usable format without charge for transfer to a different platform to the extent that such a requirement is included in the Master Agreement.~~

~~17.5 **Termination for Convenience by Licensee.** At any time on or after the third (3rd) anniversary of this Agreement, Licensee shall have a right to terminate this Agreement for convenience upon twelve (12) months prior written notice to SVM (for example, if Licensee desires to terminate this Agreement on the third anniversary date of execution of this Agreement, then Licensee must give notice of termination to~~

~~SVM at least 12 months prior to such third anniversary date).~~

~~17.6 **Obligations of Licensee upon Termination of the Master Agreement by SVM or Termination for Convenience by Licensee.** In the event that SVM terminates this Agreement after terminating the Master Agreement pursuant to Section 17.4 or in the event that Licensee terminates this Agreement for convenience under Section 17.5, SVM may:~~

~~(a) Require Licensee immediately to pay SVM all outstanding amounts due and payable under this Agreement as of the effective date of termination;~~

~~(b) Require Licensee to cease any further use of the Customized Software, Documentation or any portion of the Customized Software or Documentation;~~

~~(c) Require the immediate return or destruction of any and all copies of the Documentation, Customized Software, and upgrades or modifications to Customized Software;~~

~~And, except as otherwise provided in this Section 17, the Parties shall have no further obligations to each other under this Agreement.~~

17.5 ~~17.7~~ **Confidentiality**. All obligations of both Parties under Section 12 shall survive termination of this Agreement.

18 **LIMITATION OF LIABILITY.** NEITHER PARTY SHALL BE LIABLE FOR ANY INDIRECT, SPECIAL, AND/OR CONSEQUENTIAL DAMAGES, TO THE EXTENT ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT. FURTHER, ~~SVM'S~~SM'S LIABILITY FOR DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT SHALL NOT EXCEED THE AMOUNT OF FEES ACTUALLY PAID BY LICENSEE TO ~~SVM~~SM UNDER THIS AGREEMENT.

NOTWITHSTANDING ANY ~~PROVISON~~PROVISION IN THIS AGREEMENT TO THE CONTRARY, THE FOREGOING LIMITATION OF LIABILITY SET FORTH IN THIS SECTION 18 SHALL NOT APPLY TO: (A) A PARTY'S OBLIGATIONS OF INDEMNIFICATION, AS FURTHER DESCRIBED IN SECTION 16 OF THIS AGREEMENT; (B) DAMAGES CAUSED BY A PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT; OR (C) A PARTY'S BREACH OF ITS OBLIGATIONS OF CONFIDENTIALITY, AS FURTHER DESCRIBED IN SECTION 12 OF THIS AGREEMENT.

~~19 **Insurance Coverage.** Under the Master Agreement, Developer is required to maintain the following insurance:~~

~~19.1 **Workers Compensation Insurance**, including occupational disease and employers liability insurance, as well as such other similar insurance as may be required by the state in which Developer operates, at the statutory limits for workers compensation, and employers liability at a minimum limit of One Million Dollars ($1,000,000);~~

~~19. 2 **Commercial General Liability Insurance** (including, but not limited to contractual and product liability, and completed operations coverage) with a minimum of Five Million Dollars ($5,000,000) per occurrence limit (which coverage can be maintained through primary and umbrella policies.~~

~~19.3 **Professional Liability Coverage.** Either professional liability coverage or errors and omissions coverage insuring Developer for negligent acts and errors or omissions arising out of the performance of Developer's Services under this Agreement, with limits of not less than Three Million Dollars ($3,000,000) per claim and in the aggregate. Such coverage shall include network security and privacy liability "network privacy" covering the unauthorized disclosure or misappropriation of SVM Data and shall be extended to cover third-party liability arising from identity theft and unauthorized disclosure of private information.~~

~~20 **Statute of Limitations.** Any claim arising out of or related to this Agreement must be brought no later than one year after it has accrued.~~

19 ~~21~~ **Sole Agreement.** This Agreement is the sole agreement between the Parties relating to the subject matter hereof and supersedes all prior understandings, writings, proposals, representations, or communications, oral or written, of either Party. This Agreement may be amended only by a writing executed by the authorized representative of both Parties.

20 ~~22~~ **Assignment.** SM may assign this Agreement to an Affiliate or third party at any time, provided such party expressly assumes, in writing, all rights, obligations, and duties of SM hereunder. With the prior express written consent of ~~SVM~~SM, Licensee may assign this Agreement and any license granted hereunder to a third party, provided such third party and provided, further, that such third party expressly assumes, in writing, all rights, obligations, and duties of Licensee hereunder ~~and provided, further, that such third party~~ pays any installation, reconfiguration, transfer or other fees, the total of which may not exceed the ~~then current~~then-current Initial Fee (or any combination of then current fees that encompass the services covered in the Initial Fee, that may be assessed by Developer or ~~SVM~~SM in connection with such assignment.) Notwithstanding the foregoing, either party may assign the Agreement to (a) the surviving entity in a merger or consolidation in which it participates, (b) a purchaser of all or substantially all of its assets, or (c) as a part of an internal reorganization. This Agreement is binding upon, and inures to the benefit of, either party's respective permitted successors and assigns.

21 ~~23~~ Jurisdiction and Dispute Resolution.

21.1 ~~23.1~~ **Entire Agreement; Governing Law.** This Agreement constitutes the entire and final agreement between the Parties with regard to the subject matter hereof. No waiver, consent, modification or change of terms of this Agreement will bind either Party unless agreed upon in writing and signed by both Parties, and then such waiver, consent, modification or change will be effective only in the specific instance and for the specific purpose given. This Agreement will be governed by and construed in accordance with the laws of the State of Georgia, ~~except for the~~which laws shall prevail in the event of any conflict of ~~laws provision~~law, without regard to the application of any Georgia conflict-of-law rules. In connection with this Agreement, the Parties consent to the personal jurisdiction of, and venue in, the courts located in the metropolitan area of ~~SVM's~~SM's then-current principal place of business (currently, Atlanta, Georgia).

21.2 ~~23.2~~ **Mediation.** Except for disputes arising out of or relating to the Confidentiality, Intellectual Property or Information Security sections of this Agreement, the Parties must mediate any other dispute arising out of or relating to this Agreement before commencing any arbitration as set forth in Section ~~23.3~~21.3, below. No Party to this Agreement can demand mandatory arbitration against the other Party without first participating in mediation, unless a Party refuses to submit to mediation and legal action is brought to specifically enforce this mandatory mediation provision of this Agreement. If the Parties cannot agree upon the person to act as the mediator within ~~twenty (~~20~~)~~ business days from notice of a request for mediation, then the American Arbitration Association will select a person to act as the mediator. The mediator's charges and expenses will be split by the Parties on a 50/50 basis. Each Party will be responsible for its own attorneys' fees and costs at mediation. Any such mediation must be completed within ~~sixty (~~60~~)~~ days following appointment of the mediator. Should the dispute not be resolved by mediation, the Parties agree to submit any dispute arising between the Parties relating in any way to binding arbitration in accordance with Section ~~23.3~~21.3, below.

21.3 ~~23.3~~ **Arbitration.** Except for disputes arising out of or relating to the Confidentiality, Intellectual Property or Information Security sections of this Agreement, any controversy, dispute or claim arising out of or relating to this Agreement or any tort, statute, or otherwise ~~("Claim")~~ will be settled by binding arbitration in the metropolitan area of ~~SVM's~~SM's then-current principal place of business (currently, Atlanta, Georgia). Such arbitration will be conducted in accordance with the rules of the American Arbitration Association except that a written opinion of the arbitrator must be delivered to the Parties regardless of any rules to the contrary. The Parties will agree upon one arbitrator to settle the controversy or claim, provided that if the Parties are unable to agree upon an arbitrator within ~~twenty (~~20~~)~~ business days, they will accept an arbitrator appointed by the American Arbitration Association. The arbitration will be governed by the Federal Arbitration Act, 9 U.S.C. § 1-16, to the exclusion of state laws inconsistent therewith. Any award rendered by the arbitrator will be conclusive and binding upon the Parties hereto and a judgment upon the award will be entered in any court having jurisdiction thereof. This provision for arbitration will be specifically enforceable by the Parties and the decision of the arbitrator in accordance herewith will be final and binding. The arbitrator's charges and expenses will be split by the Parties on a 50/50 basis. Each Party will be responsible for its own attorneys' fees and costs at arbitration.

21.4 ~~23.4~~ **Class Action Waiver**. Any Claim must be brought in the parties' individual capacity, and not as a plaintiff or class member in any purported class, collective, representative, multiple-plaintiff, or similar proceeding ("**Class Action**"). The parties expressly waive any ability to maintain any Class Action in any forum. The arbitrator shall not have authority to combine or aggregate similar claims or conduct any Class Action nor make an award to any person or entity not a party to the arbitration. Any claim that all or part of this Class Action Waiver is unenforceable, unconscionable, void, or voidable may be determined only by a court of competent jurisdiction and not by an arbitrator. THE PARTIES UNDERSTAND THAT THEY WOULD HAVE HAD A RIGHT TO LITIGATE THROUGH A COURT, TO HAVE A JUDGE OR JURY DECIDE THEIR CASE AND TO BE PARTY TO A CLASS OR REPRESENTATIVE ACTION. HOWEVER, THE PARTIES UNDERSTAND AND CHOOSE TO HAVE ANY CLAIMS DECIDED INDIVIDUALLY, THROUGH ARBITRATION.

21.5 **Statute of Limitations.** Any claim arising out of or related to this Agreement must be brought no later than one year after it has accrued.

22 ~~24~~ **Waiver.** The waiver by either Party of a breach or other violation of any provision of this Agreement shall not operate as, or be construed to be, a waiver of any subsequent breach of the same or other provision of this Agreement.

23 ~~25~~ **Enforceability.** The invalidity or unenforceability of any provision of this Agreement shall not affect the other provisions hereof, and the Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

~~26 **Waiver of Liability.** Licensee waives liability of SVM for Developer's breach of the obligations and warranties that are identified in this Agreement as being obligations or warranties of Developer under the Master Agreement. Licensee acknowledges that Licensee is a third party beneficiary under the Master Agreement; and Licensee agrees that Licensee's only recourse for breach of such obligations or warranties shall be against Developer directly.~~

24 ~~27~~ **Notice.** Notices required under this Agreement shall be sent to a Party at its address set forth above via personal delivery, over-night delivery, certified mail – return receipt requested, fax or email.

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the day and year first set forth above.

"Licensee"	"~~SVM~~SM"
______________________ _______________	ServiceMaster Clean/Restore SPE LLC
By:_________________________________	By: _________________________________
Its:_________________________________	By: _________________________________
Date:_______________________________	Date: ___________

Exhibit A Technology Support (Service Levels)

Availability	The system should be available 24x7 and 365 days a year.
Availability	The system should have ~~99.999~~99.9% uptime per month, this shall not be cumulative.
~~Availability~~	~~Daily full data backups with 30 minute incremental backups should be taken.~~
Availability	Developer will work with Licensee to create and generate a manual report or reports that provide(s) the information needed for Licensee to operate in the event of a catastrophe where Licensee is not able to connect to the ~~DASH~~Cotality Software system. Licensee's responsibility shall be to have the report printed and available in a secure place and updated as required in case Licensee needs it.
Availability	Any planned system outages should be communicated at least one week in advance unless otherwise agreed to by ServiceMaster. Unplanned system outages should be immediately communicated to the business program manager and call center manager. The business should push those communications to any users of the system.
Availability	There shall be no leads lost during down-time. No more than 15 minutes of data shall be lost for any single user in the system.
Availability	The System should notify users of both planned and unplanned outages.
Availability	During a catastrophic event, system must be capable of supporting peak usage.
System Performance	~~Next Gear~~Developer and ~~SVM~~SM will conduct quartile reviews of system performance and will identify areas that need improvement and agree on a timeframe for delivery
Disaster Recovery	In the case of a declared disaster, the system shall provide a 30 minute Recovery Time Objective and 15 minute Recovery Point Objective.

Requirement	**Requirement Details**
24 Hours/Weekday Live Support	Response time of ≤ 5mins for minimum of 97% of live support requests.
On-Demand, One Click Screen Sharing Support	~~NextGear~~Developer will have agents available for screen share support during all hours where support is available.
Ongoing Training Classes	~~NextGear~~Developer will publish a schedule of classes, document where each franchisee is in the process and provide reports.
Instructor-led Role-Based Training	~~NextGear~~Developer will provide training as mutually agreed upon with ServiceMaster.
Modular Training Videos	
Role-Based Training Videos	
Training Manuals	All training manuals and materials will be made current prior to each software release.
24 Hour Emergency Phone Response	All issues mutually agreed upon as emergencies will receive emergency phone support 24 hours/day/7 days/week. User will receive an acknowledgement within 15 minutes.
On-site training or regional training, actual travel costs will be paid, including airfare, food, rental cars, fuel and other actual costs	
Provide a trainer to come and train at Academy in Memphis not more than twenty-four (24) days per year.	Provide on-site training at the Disaster Restoration Academy on site in Memphis. Training curriculum to be developed in conjunction with ServiceMaster. Training will not exceed twenty-four (24) days per year.

EXHIBIT B

User Technology Requirements

Requirement	~~Requirement Details~~
~~NextGear will provide ample notice of any changes in requirements to allow ample time for franchisees to be able to make reasonable hardware or bandwidth upgrades~~	~~Provide written notice to SVM 6 months prior to any changes in hardware or bandwidth requirements.~~
~~DASH requires either a PC or MAC, but some functionality is available only on PC or only on MAC~~Developer currently supported versions of the Windows Desktop Operating System and the related Minimum System Requirements as specified by Microsoft	~~If at any point NextGear will only support one platform, ServiceMaster requires 6 months' notice. ServiceMaster understands that some integrations are only available on PC and future integrations may only be available on MAC or PC~~
~~NextGear~~Developer recommends: 2 GB of RAM and a minimum 1.6Ghz Processor	~~Provide written notice to SVM 6 months prior to any changes in hardware or bandwidth requirements.~~
Internet Access: ~~Next Gear~~Developer recommends a connection speed of 5 Mbps download and 1.5 Mbps upload, OR Broadband cards with 1.5 Mbps down and 0.5 Mbps up have been tested and do work	~~Provide written notice to SVM 6 months prior to any changes in hardware or bandwidth requirements.~~
~~DASH recommends~~Internet Browser: current versions of Google Chrome and Mozilla Firefox ~~for an internet browser~~	~~NextGear will attempt to support all current widely available browsers and will advise of any performance issues related to DASH with said browsers.~~

~~Exhibit C - Privacy and Data Use Policy~~
~~ServiceMaster Privacy and Data Use~~
~~Policy Respond and Restore Systems~~

~~ServiceMaster acknowledges the importance of protecting the privacy of information entered into the system as well as the value that can come from analyzing and using this data to enhance the brand. Our goal is to maximize the value of the data while at the same time protecting disclosure that is harmful to the brand. In order to ensure that potential data uses serve this goal, ServiceMaster will share potential opportunities and seek input from the National Franchise Council ("NFC"). ServiceMaster will continue its periodic consultation and discussion of data uses with the NFC and seek consensus on proposed changes to this data use policy. ServiceMaster pledges to carefully exercise its discretion to identify appropriate uses of the information, and will provide not less than 90 days' notice of changes to this data use policy to the NFC.~~

~~Currently we expect that the data will be used in the following manner:~~

- ~~Claim Review~~
- ~~Quality Control/SLA Compliance~~
- ~~Data mining and research (aggregate)~~
- ~~Ranking on SLAs shared among franchisees and others as appropriate~~
- ~~Marketing claims~~
- ~~Benchmarking~~
- ~~Litigation/discovery in response to subpoena and other document production requests~~

~~Information of current franchisees (i.e., contacts, customer information, and vendor information) will not be shared with other franchisees without permission. Non-specific information (meaning information with personal information removed or redacted) may be shared with aggregate data and ranking reports as set forth above.~~

~~We will put together other safeguards similar to those in place with other data systems.~~

AMENDMENT TO THE FRANCHISE AGREEMENT
(CONSTRUCTION SERVICES)

NOTE: You are not required to sign this Construction Services Amendment if you are NOT performing or offering Construction Services either under the ServiceMaster brand or under a separate company. You may opt out by completing the attached acknowledgement in Appendix A.

This Amendment to the Franchise Agreement (this "**Amendment**"), dated theday of___, 20___, is by and between ServiceMaster Clean/Restore SPE LLC ("**Franchisor**") and ______________ ("**Franchisee**").

WHEREAS, Franchisor and Franchisee executed that certain Franchise Agreement #____, dated______, _________________________, granting Franchisee the right to use the Franchisor's trademarks and System (the "**Franchise Agreement**").

WHEREAS, the parties wish to amend such Franchise Agreement to allow Franchisee to perform additional services under the ServiceMaster name through its own employees or Subcontractors.

NOW THEREFORE, for good and valuable consideration, the receipt of which is acknowledged by the parties, the parties agree as follows:

1. Grant of Rights. Franchisor hereby grants to Franchisee, upon the terms and conditions as set forth in the Franchise Agreement and herein contained, the right and license to use the ServiceMaster name and Proprietary Marks, within the Territory specified in the Franchise Agreement, to provide the Covered Construction Services as set forth below. This Amendment shall become a part of the Franchise Agreement and be subject to the same terms and conditions of the Franchise Agreement and shall terminate and expire along with the Franchise Agreement.

2. Definitions. For purposes of this ~~Agreement~~Amendment, the "**Construction Services**" shall include Covered Construction Services and Non-Covered Construction Services.

   2.1 "**Covered Construction Services**" means any and all construction services including, but not limited to, framing carpentry, cabinetry removal and put back/installation, cabinetry repair, roofing, flooring, drywall and plastering, carpet and pad installation, painting, wallpapering installation, and repair of heating, cooling, electrical and plumbing systems, which involve structural reconstruction, cosmetic restoration, or mechanical restoration associated with disaster restoration and that are not solely new construction services wholly unrelated to disaster restoration. Covered Construction Services shall include construction, remodeling, structural or decorating services that are performed on a site where a disaster has occurred in which any party under the ServiceMaster Restore® mark or any non-Franchisor third party has performed any disaster restoration work even if the area that is remodeled or reconstructed was not directly affected by the disaster. Any Core Services, including, but not limited to, water mitigation, fire, smoke and odor cleaning, demolition, other pre-cleaning, and post-construction cleaning shall be excluded from Construction Services and shall be included as Core Services as set forth in the Franchise Agreement.

   2.2 "**Non-Covered Construction Services**" means any construction and/or decorating services not related to disaster restoration work, which shall be defined as including, but not limited to, estimating, inspection, tear-out, project management, and overhead fees in connection with construction and decorating related to remodeling or new construction, including "ground up" ~~remolding~~remodeling or structural construction that are not done due to a disaster~~, including construction, decorating~~. This definition does not and is not meant to include any residential, commercial, or disaster restoration services cleaning as that term is commonly understood and as that term is referred to in the Franchise Agreement. The Franchisee's usage of any type of ServiceMaster equipment to perform any cleaning functions shall remove any such cleaning from the scope of this definition and into the Covered Construction Services category.

3. [FOR NEW AND TRANSFERRED RESTORE FRANCHISES:] Fees Related to Construction Services~~ Fees~~. For all Covered Construction Services performed, (i) using the name ServiceMaster, (ii) by, through, as, or on behalf of a Franchisee, (iii) by, through, or on behalf of any entity in which Franchisee owns, maintains, engages in, or has any interest, (iv) by or on behalf of any Owner, any Owner's spouse, or any Owner's family members, or (v) by, through, or on behalf of any Affiliate of any person or entity identified within subparts (i) through (v), inclusive~~, Franchisee shall pay standard Royalties, Ad Fund Contributions, and other fees based on Gross Service Sales derived from Covered Construction Services, without any deduction for subcontractor performed work.~~:

3.1 The Royalties described in the Franchise Agreement shall not apply to Gross Service Sales derived from such Covered Construction Services. The Gross Service Sales used in determining applicable Royalties will exclude revenue from Covered Construction Services; and

3.2 Franchisee shall pay Franchisor a monthly construction services fee equal to 3% of Gross Service Sales derived from Covered Construction Services (without any deduction for Subcontractor-performed work) (the "**Construction Services Fee**"), which may be reduced in accordance with Section 4.

[FOR LEGACY RENEWAL FRANCHISES:] Fees Related to Construction Services. For all Covered Construction Services performed, (i) using the name ServiceMaster, (ii) by, through, as, or on behalf of a Franchisee, (iii) by, through, or on behalf of any entity in which Franchisee owns, maintains, engages in, or has any interest, (iv) by or on behalf of any Owner, any Owner's spouse, or any Owner's family members, or (v) by, through, or on behalf of any Affiliate of any person or entity identified within subparts (i) through (v), inclusive:

3.1 The Royalties, Advertising Contributions, and Local Advertising Commitment described in the Franchise Agreement shall not apply to Gross Service Sales derived from such Covered Construction Services. The Gross Service Sales used in determining applicable Royalties, Advertising Contributions, and the Local Advertising Commitment will exclude Gross Service Sales derived from Covered Construction Services;

3.2 Franchisee shall pay Franchisor a monthly construction services fee equal to 3% of Gross Service Sales derived from Covered Construction Services (without any deduction for Subcontractor-performed work) (the "**Construction Services Fee**"), which may be reduced in accordance with Section 4;

3.3 Franchisee shall pay Franchisor a monthly advertising fee equal to 0.25% of Gross Service Sales derived from Covered Construction Services (without any deduction for Subcontractor-performed work) (the "**Construction Services Advertising Fee**"), which Franchisor will contribute to the Advertising Fund;

3.4 Franchisee shall spend 0.5% of Gross Service Sales derived from Covered Construction

Services (without any deduction for Subcontractor-performed work) on Eligible Local Marketing (the "**Construction Services Local Advertising Commitment**"). The Construction Services Advertising Fees paid by Franchisee will be treated as money spent on Eligible Local Marketing and will be credited towards satisfying Franchisee's Construction Services Local Advertising Commitment. Upon Franchisor's request, Franchisee must provide an accounting of its monthly and/or annual local advertising expenditures and provide any evidence necessary to demonstrate compliance with the Construction Services Local Advertising Commitment. If Franchisee fails to meet its Construction Services Local Advertising Commitment in any month, in addition to Franchisor's other remedies, Franchisee will be required to contribute to the Ad Fund the difference between the amount spent on Eligible Marketing in such month and the Construction Services Local Advertising Commitment in such month; and

3.5 The Construction Services Fee and Construction Services Advertising Fee are separate, additional fees from the Royalties and Advertising Contributions. The Construction Services Local Advertising Commitment is a separate, additional obligation to the Local Advertising Commitment.

4. Reduction of Construction Services Fee. If (a) Franchisee, its Owners, and its Affiliates have been and remain fully compliant with the Franchise Agreement and the Related Agreements and Franchisor and/or its Affiliates, including, without limitation, timely paying all required fees and submitting all required reports, and (b) Franchisee timely provides a monthly report detailing Covered Construction Services provided in the prior month in a form prescribed by Franchisor, the Construction Services Fee will be reduced to the following amounts:

Time Period	**Percentage of Gross Service Sales Derived from Covered Construction Services (without any deduction for Subcontractor-performed work)**
2025	2%
2026	2.25%
2027	2.5%
2028	2.75%

The Construction Services Fee will revert to 3% of Gross Service Sales derived from Covered Construction Services (without any deduction for subcontractor-performed work) (i) beginning on January 1, 2029 and/or (ii) if Franchisee, its Owners, or its Affiliates fail to comply with (a) or (b), immediately after such failure occurs.

5. Untimely Renewal. If Franchisee fails to fully and completely execute the Renewal Franchise Agreement and General Release and complete the renewal process within 60 days of the commencement of the temporary extension described in Section 2.2.4 (Temporary Extension) of the Franchise Agreement, then, effective immediately thereafter, the monthly Construction Services Fee payable under this Amendment shall increase by 2.5%, for a new Construction Services Fee of 5.5% of Gross Service Sales, without any reduction as detailed within Section 4 of this Amendment, and such higher Construction Services Fee shall apply during each month until (i) the renewal process is completed (including execution of the Renewal Franchise Agreement and General Release and payment of the renewal fee) or (ii) the Franchise Agreement is terminated. By accepting any increased fees, Franchisor does not waive any of its rights and remedies under the Franchise Agreement including, without limitation, the right to terminate the Franchise Agreement pursuant to its terms and all such rights and remedies shall be cumulative of every other right or remedy.

6. Operating Fees. The definition of "Operating Fees" in Section 4.4 (Due Dates and Reports) is hereby deleted and replaced with the following:

"The Royalties, Ad Fund Contribution, Technology Fees, Construction Services Fees, and Construction Services Advertising Fees (collectively, the "Operating Fees")."

7. Liquidated Damages. In Section 14.12.1 (Calculation of Liquidated Damages) of the Franchise Agreement, all references to "Royalties and Ad Fund Contributions" are hereby revised to refer to "Royalties, Ad Fund Contributions, Construction Services Fees, and Construction Services Advertising Fees."

8. ~~4.~~ Acknowledgements. Franchisee understands and agrees that Franchisor shall provide no technical construction or contractor training or support in return for the payment of the above fees. Franchisee also understands that it is not permitted to use the name ServiceMaster or any of the Proprietary Marks for any Non-Covered Construction Services.

9. ~~5.~~ Insurance

9.1 ~~5.1~~ Insurance Required. The Franchisee shall, at its expense, procure prior to providing the Construction Services licensed under this ~~Agreement~~Amendment, and maintain in full force and effect during the term of ~~this~~the Franchise Agreement, an insurance policy or policies insuring the Franchisee and naming the Franchisor and its officers, directors, employees, agents and partners as additional insureds, against any loss, liability, personal injury, death, or property damage or expense whatsoever whether arising from or occurring upon or in connection with the Franchised Business or any other entity in which Franchisee owns, maintains, engages or has any interest. The Franchisee shall furnish the Franchisor with proof of coverage prior to commencing business, and of continued coverage during the term of ~~this~~the Franchise Agreement.

9.2 ~~5.2~~ Coverage Requirements. Such policy or policies shall be written by an insurance company satisfactory to the Franchisor in accordance with standards and specifications set forth on Service Connection, or otherwise in writing, and shall include, at a minimum the following:

9.2.1 ~~5.2.1~~ Workers' compensation and occupational disease insurance as well as such other insurance as may be required by statute or rule of the state in which the Franchisee operates the Franchised Business.

9.2.2 ~~5.2.2~~ Comprehensive General Liability insurance, including product and completed operations coverage, with minimum limits of $3,000,000 per occurrence.

9.2.3 ~~5.2.3~~ Business automobile liability coverage for owned, hired, and non-owned vehicles, with minimum limits of $1,000,000 per occurrence for bodily injury and for property damage.

9.2.4 ~~5.2.4~~ Such additional coverage and higher policy limits as may reasonably be specified for all franchisees from time to time by the Franchisor on Service Connection, or otherwise in writing.

9.2.5 ~~5.2.5~~ All other insurance required by applicable state or federal law.

9.3 ~~5.3~~ Such insurance requirements shall replace and supplant those set forth in the

Franchise Agreement in paragraph 11.

9.4 ~~5.4~~ Failure to Maintain. Should the Franchisee, for any reason, fail to procure or maintain the insurance required by this ~~Agreement~~Amendment, as revised from time to time for all franchisees on Service Connection, or otherwise in writing, the Franchisor shall have the right, at its option, to procure such insurance and to charge the cost to the franchisee, which charges, together with a reasonable fee for the Franchisor's expenses in so acting, shall be payable by the Franchisee immediately upon the Franchisee's receipt of written notice.

10.~~6.~~ Licenses. Franchisee shall provide copies annually of its state and local contractor's license and business license, none of which shall reflect the ServiceMaster name except as used in the d/b/a name reflected on the Franchise Agreement.

IN WITNESS WHEREOF, the parties have executed this Amendment on the date first set forth above.

ServiceMaster Clean/Restore SPE LLC
d/b/a ServiceMaster Restore

By: ______________________________________

Its: ____

Franchisee: ___________________________________

d/b/a ServiceMaster ______________________________

By: ____

Its: ____

~~Individually~~

~~Individually~~

~~Individually~~

Date: _______________________

APPENDIX A
TO CONSTRUCTION SERVICES AMENDMENT

CONSTRUCTION SERVICES
OPT-OUT OPTION ACKNOWLEDGEMENT

The Construction Services Amendment to your Franchise Agreement(s) is offered to you because your Franchise Agreement allows you to offer Core Services as well as Construction Services as described above, using the ServiceMaster trademarks. You may opt out of providing Construction Services by completing this acknowledgement and signing below.

1. Franchisee and its Owners are not presently, whether directly or through a Subcontractor, Affiliate, or any other entity or business (whether formally incorporated or not) (collectively, "**Another Business**"), performing or offering Construction Services (including Covered Construction Services or Non-Covered Construction Services) as defined by the Construction Services Amendment through the ServiceMaster Franchised Business or through a separate business.

2. If Franchisee or its Owners choose to offer Construction Services in the future, whether directly or through Another Business, Franchisee will notify Franchisor and request a Construction Services Amendment to the Franchise Agreement(s) and contact its insurance provider to add the required insurance for Construction Services **BEFORE** providing these services.

3. Franchisee acknowledges that if Franchisee or its Owners ~~do~~ perform Covered Construction Services, whether directly or through Another Business, **without** a fully-executed Construction Services Amendment to the Franchise Agreement(s), ~~the Applicable Royalty Rate on Gross Service Sales of such Covered~~(a) for all franchisees, the monthly Construction Services ~~will be 10%, regardless of the Applicable Royalty Rate that is otherwise in effect at such time. Franchisee further acknowledges that if Franchisee or its Owners perform any Construction Services using the ServiceMaster Marks **without** a fully-executed Construction Services Amendment to the Franchise Agreement(s), for the remainder of the term of the Franchise Agreement, the Appliable Royalty Rate on Gross Service Sales for all services rendered by the Franchised Business(es)~~Fee will be 10% of Gross Service Sales~~, regardless of the Applicable Royalty Rate that would otherwise be in effect.~~ derived from such Covered Construction Services (without any deduction for Subcontractor-performed services) and (b) for Legacy Renewal Franchises, (i) the monthly Construction Services Advertising Fee will be equal to the then-current Ad Fund Contribution and (ii) the Construction Services Local Advertising Commitment will be equal to the then-current Local Advertising Commitment.

FRANCHISEE: ______________________________ **License Nos.** ______________________________

Dba ServiceMaster _________________________________

Owner Signature: __________________________________

Print Name: ____

Title: ____

DATE Signed: ____________________________________

Date received by Franchisor: _________________________

CONVERSION FRANCHISE – CONSTRUCTION ROYALTY FEE CONVERSION RIDER

AMENDMENT TO FRANCHISE AGREEMENT # DATED BETWEEN (NAME) AND SERVICEMASTER CLEAN/RESTORE SPE LLC D/B/A/ SERVICEMASTER RESTORE

In accordance with the Construction Services Amendment, monthly Royalties on Construction Services shall be amended to provide for the following fee schedule:

(mm/dd/yyyy) through (mm/dd/yyyy) – ~~1.0~~___% fees on revenue up to $______per month, any revenue over $________________________________per month will be paid at 2% schedule fee.

(mm/dd/yyyy) through (mm/dd/yyyy) – ~~1.5~~__% fees on revenue up to $ per month, any revenue over $____per month will be paid at 2% schedule fee.

(mm/dd/yyyy) forward – ~~2~~3% fees on all revenue.

This ramp-up schedule does not allow for any monthly averaging over any ~~twelve month~~twelve-month period. Actual revenue recorded monthly must be reported monthly and fees are payable monthly.

Any revenue resulting from jobs that are passed to the franchisee from ~~the Claim Capture Unit~~Optional Programs are not subject to this ramp-up schedule and fees are payable at ~~2~~3% on this revenue.

Qualification: $____________ Construction
Base Line Revenue Business Type

SERVICEMASTER CLEAN/RESTORE SPE LLC

By: ____

Title: ____

FRANCHISEE:

BY: ____
(Signature of owners, partners or duly authorized officer - title)

BY: ____
(Signature of owners, partners or duly authorized officer - title)

BY: ______________________________________
(Signature of owners, partners or duly authorized officer - title)

Exhibit J to the FDD

CONVERSION AMENDMENTS

Exhibit J-2 – Conversion Franchise Core Service Ramp-Up

CONVERSION FRANCHISE – CORE SERVICE RAMP-UP

AMENDMENT TO FRANCHISE AGREEMENTS # DATED BETWEEN (NAME) AND SERVICEMASTER CLEAN/RESTORE SPE LLC D/B/A/ SERVICEMASTER RESTORE

A) **Ramp Up Schedule for Royalties.**
Exhibit A, Monthly Royalties shall be amended to provide for the following Conversion Royalties Schedule:

The following schedule is based on a $_________per year base line (Core Services revenue).

(mm/dd/yyyy) through (mm/dd/yyyy) – ~~5~~__% fees on revenue up to $_______per month, any revenue over $_____ per month will be paid at 10% schedule fee.

(mm/dd/yyyy) through (mm/dd/yyyy) – ~~7.5~~___% fees on revenue up to $_____per month, any revenue over $______________per month will be paid at 10% schedule fee.

(mm/dd/yyyy) forward – 10% fees on all revenue.

This ramp-up schedule does not allow for any monthly averaging over any ~~twelve month~~twelve-month period. Actual revenue recorded monthly must be reported monthly and fees are payable monthly.

Any revenue resulting from jobs that are passed to the franchisee from ~~the Claim Capture Unit~~Optional Program work are not subject to this ramp-up schedule and fees are payable at 10% on this revenue.

Ad Fund Contributions are not subject to this ramp-up schedule and are payable at the rate stated in Exhibit A on all monthly revenue.

SERVICEMASTER CLEAN/RESTORE SPE LLC

By: ____

Title: ____

FRANCHISEE:

BY: ____
(Signature of owners, partners or duly authorized officer - title)

BY: ____
(Signature of owners, partners or duly authorized officer - title)

BY: ____
(Signature of owners, partners or duly authorized officer - title)

<u>State Effective Dates</u>

The following states have franchise laws that 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 document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Hawaii	June 30, 2025, as amended *Pending*
Illinois	June 4, 2025
Indiana	June 16, 2025, as amended on October 1, 2025
Maryland	Pending
Michigan	June 4, 2025
Minnesota	July 11, 2025, as amended *Pending*
New York	Pending
North Dakota	June 18, 2025, as amended *Pending*
Rhode Island	June 4, 2025, as amended *Pending*
South Dakota	June 20, 2025
Virginia	Pending
Washington	Pending
Wisconsin	June 20, 2025, as amended on October 1, 2025

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 ServiceMaster Clean/Restore SPE LLC ~~d/b/a ServiceMaster Clean, d/b/a ServiceMaster Restore, and d/b/a ServiceMaster Recovery Management~~ offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, ServiceMaster or an affiliate in connection with the proposed franchise sales or sooner if required by applicable state law.

New York and Iowa require that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days (14 days for Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If ServiceMaster Clean/Restore SPE LLC ~~d/b/a ServiceMaster Clean, d/b/a ServiceMaster Restore, and d/b/a ServiceMaster Recovery Management~~ 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 appropriate state agency list in Exhibit C.

The franchise seller(s) for this offering is (are):
( ) Ender Cobo ( ) Amber James ( ) Charles Kowanetz ( ) ~~___________________~~ Jeff Todd
( ) _______________ ( ) _________________ ( ) __________________ ( ) ___________________
at ServiceMaster Clean/Restore SPE LLC, One Glenlake Parkway, 14th Floor, Atlanta, Georgia 30328; Phone 800-756-5656.

See Exhibit C for our agent for service of process in your state.

Issuance Date: June 4, 2025, as amended on September 26, 2025

I have received a ~~Franchise~~ Disclosure Document with an issuance date of June 4, 2025, as amended on September 26, 2025. This Disclosure Document includes the following Exhibits:

A. Franchise Agreement and Related Agreements
B. Financial Statements and Guaranty
C. State Agencies and Agents for Service of Process
D. List of Franchisees
E. List of Former Franchisees
F. State Addenda to Disclosure Document and to Franchise Agreement (where applicable)
G. Software License Agreements
H. Manual Table of Contents
I. Construction Services Amendment
J. Conversion Ramp-up Amendments
K. State Effective Dates and FDD Receipts

Signature	Print Name	Date
Signature	Print Name	Date

(Please retain this copy for your files)

Item 23:

Receipt

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( ) Ender Cobo ( ) Amber James ( ) Charles Kowanetz ( ) ~~__________________~~ Jeff Todd
( ) ______________ ( ) ________________ ( ) __________________ ( ) ___________________
at ServiceMaster Clean/Restore SPE LLC, One Glenlake Parkway, 14th Floor, Atlanta, Georgia 30328; Phone 800-756-5656.

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J. Conversion Ramp-up Amendments
K. State Effective Dates and FDD Receipts

Signature Print Name Date

Signature Print Name Date

(Please return this copy to ServiceMaster)