

## FRANCHISE DISCLOSURE DOCUMENT



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dba OpenWorks  
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The franchisee will offer commercial janitorial services under the name OpenWorks.

The total investment necessary to begin operation of an OpenWorks franchise ranges from \$4,250 to \$134,480. This includes \$2,580 to \$72,080 that must be paid to the franchisor or its affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact O.P.E.N. America, Inc. at 2355 East Camelback Road, Suite 600, Phoenix, Arizona 85016 and (602) 224-0440.

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

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

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

Issuance Date: March 25, 2025

## How to Use This Franchise Disclosure Document

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

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

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

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

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

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

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

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

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

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

### Some States Require Registration

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

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

## Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Arizona. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Arizona than in your own state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership in the franchise. This guaranty will place both your and your spouse's marital and personal assets, perhaps even your house at risk if you franchise fails.
3. **Turnover rate.** During the last 3 years, a high percentage of franchised outlets (more than 50%) were terminated or not renewed. This franchise could be a higher risk investment than a franchise in a system with a lower turnover rate.

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

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## **Exhibits**

- Exhibit A - List of State Franchise Administrators
- Exhibit B - State-Specific Addenda
- Exhibit C - Franchise Agreement and Attachments
  - Attachment 1 – Business Equipment Packages
  - Attachment 2 – Terms
  - Attachment 3 – Personal Guaranty
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  - Attachment 5 – Trademarks
  - Attachment 6 – Spousal Consent
  - Attachment 7 – Addendums Required by Certain States
- Exhibit D - Promissory Note
- Exhibit E - Agreement for Account Assignment or Increase
- Exhibit F - Equipment Purchase Agreement
- Exhibit G - Table of Contents of the Operations and Safety Manual
- Exhibit H - List of Current Franchisees
- Exhibit I - List of Former Franchisees
- Exhibit J - Financial Statements
- Exhibit K - List of Agents for Service of Process
- Exhibit L - Renewal Amendment to Franchise Agreement
- Exhibit M - Insurance Applications
- Exhibit N - Background Check Release and Authorization
- Exhibit O - Assignments of Franchise Rights

State Effective Dates

Receipts

APPLICABLE STATE LAW MAY REQUIRE ADDITIONAL DISCLOSURES REGARDING THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT OR STATE SPECIFIC AMENDMENTS TO THE FRANCHISE AGREEMENT. THESE ADDITIONAL DISCLOSURES OR STATE SPECIFIC AMENDMENTS TO THE FRANCHISE AGREEMENT, IF ANY, APPEAR IN THE STATE ADDENDA AT **EXHIBIT B** OR THE STATE SPECIFIC AMENDMENTS TO FRANCHISE AGREEMENT IN **EXHIBIT C**.

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

To simplify the language in this Franchise Disclosure Document, we will refer to O.P.E.N. America, Inc., the franchisor, as “OpenWorks,” “we,” or “us,” and the person or company that buys a janitorial franchise from OpenWorks as “you”. If you are a corporation or limited liability company, “you” includes your officers, directors and owners individually.

**OpenWorks’ Business the Franchise Being Offered**

OpenWorks is in the business of granting franchises for commercial janitorial service businesses. OpenWorks enters into janitorial service contracts with commercial clients. These contracts (or “accounts”) may then be “packaged” with other similar contracts to cumulate at one of four levels of a gross monthly dollar amount (also called the “initial monthly account volume” in the Franchise Agreement), and assigned to OpenWorks franchisees, who receive exclusive rights to service the contracts under OpenWorks’ trademarks and system. OpenWorks bills each client on a monthly basis and, after deducting fees and charges owed by you to OpenWorks under the Franchise Agreement, remits to you the balance of the gross monthly dollar amount for your accounts. After you meet our preopening requirements, OpenWorks will start to offer you cleaning accounts whose gross monthly dollar amount will add up to the initial monthly account volume you have purchased. OpenWorks considers the rights to these cleaning contracts, as well as the training and equipment provided to you, to be the primary benefit you receive for your initial franchise fee. OpenWorks has a certain number of days in which to offer you these cleaning accounts depending on the franchise package you select. This time period is called a “fulfillment period.” If OpenWorks does not offer you enough accounts to reach the applicable initial monthly account volume within the fulfillment period, then you may request a refund of a portion of your initial franchise fee as outlined in the Franchise Agreement. You must make this request in writing within 30 days after the end of the fulfillment period. If you do not, OpenWorks is still obligated to offer you the remaining gross monthly dollar amount over the course of the franchise term but you will have waived your right to a refund. See Item 5. You may refuse up to two accounts, but each such refusal will extend the fulfillment time which OpenWorks has to find other accounts by 30 days. Your refusals will not alter your payment obligations to OpenWorks. See Item 11. You may have the option to request or be required to have additional accounts under certain circumstances. See Item 11. You are encouraged to procure janitorial client accounts on your own behalf. If you do so, you will pay the same fees, except that you are not required to pay marketing fees. OpenWorks will also serve as your billing and collection agent for those accounts. See Item 11. If a cleaning account terminates its maintenance agreements with OpenWorks, OpenWorks will replace that account under certain circumstances. See Item 11. Your Franchise Agreement explains the franchise program in more detail. OpenWorks currently offers or plans to offer the following services to customers: integrated facility services, landscape maintenance, handyman services, green practices and consulting. OpenWorks does not currently franchise nor plans to franchise these services. These services may be similar or complementary to those provided by you.

**OpenWorks and Its Business Experience**

OpenWorks was incorporated in Arizona on June 5, 1987, and also did business under the names O.P.E.N. America, O.P.E.N. Cleaning Systems, O.P.E.N. of Arizona, O.P.E.N. of California and O.P.E.N. of Washington. In March 2000, OpenWorks began doing business under the name OpenWorks. Its principal business office is located at 2355 E. Camelback Road, Suite 600, Phoenix, Arizona 85016. OpenWorks’ agents for service of process are listed in **Exhibit K**. OpenWorks began operating the type of business being franchised on January 1, 1999 and began



offering franchises through a former subsidiary beginning in 1988. OpenWorks offered janitorial franchises under the name O.P.E.N. Cleaning Systems for a brief period in 1995, and resumed offering janitorial franchises in the first quarter of 1998. OpenWorks offered master franchises between 1987 and 1995 under a separate franchise disclosure document under the name O.P.E.N. Cleaning Systems. OpenWorks also offered master franchises under a separate franchise disclosure document from 1998 to 2004 and from 2013 to 2016. No master franchises were ever sold. If OpenWorks offers master franchises in the future, the franchise opportunity will be offered in a separate franchise disclosure document. OpenWorks has never offered any other type of franchise.

OpenWorks does not have a parent company or any affiliates.

### **Your OpenWorks Franchised Business**

You will provide janitorial services for commercial entities under contracts which you accept from OpenWorks. Once all required individuals have completed initial training and you have your business license, you are also encouraged to generate additional accounts for your business. OpenWorks will offer marketing advice and pricing information to assist you in these efforts. OpenWorks provides the same administrative support and receives the same ongoing fees for accounts you obtain yourself as it does for accounts OpenWorks obtains, but it will not assess a marketing fee in connection with accounts you obtain for yourself.

You will not have an option to purchase additional franchises. However, you may request that OpenWorks provide you with additional accounts to be serviced under your existing franchise for a marketing fee, as described in Items 6, 8 and 11. You will execute an amendment to your Franchise Agreement for each additional account purchase, and if you qualify and decide to finance a portion of the marketing fee, you will be required to execute a promissory note. Whether the additional accounts will be provided will depend on whether OpenWorks has the ability to locate more accounts in your area and OpenWorks' assessment of whether you are able to service more accounts.

To effectively operate an OpenWorks franchise you will need to hire personnel. You will be responsible for your employees' wages, insurance and other benefits, and for processing payrolls for them.

The market for janitorial services is well developed and consists primarily of commercial enterprises that need regularly scheduled, high-quality janitorial services performed by independent contractors. This market segment includes healthcare facilities, residential property management facilities, logistics & transportation facilities, warehouse and manufacturing facilities, religious facilities, and other similar facilities. You will compete with other established providers of commercial janitorial services.

Your janitorial service business will be subject to all of the federal, state and local laws that apply to janitorial services and businesses generally, including but not limited to minimum-age and minimum-wage, environmental, and occupational health and safety laws. These laws vary from place to place. You should investigate these matters further and consult with local authorities and your attorney and other advisors about them.



## ITEM 2

### BUSINESS EXPERIENCE

#### **Chief Executive Officer, Treasurer and Director: ERIC ROUDI (SHAHROUZ ZAYANDEROUDI)**

Eric Roudi has been the Chief Executive Officer, Treasurer and a Director of OpenWorks since June 1987. He also served as President from June 1987 until October 2024.

#### **Chief Financial Officer: SCOTT LUTHER**

Scott Luther became the Chief Financial Officer in December 2024. Prior to this, he was CFO of Dansons/WC Bradley in Scottsdale, Arizona from August 2022 to December 2024; CFO at Express Flooring in Phoenix, Arizona from June 2020 to August 2022; and COO/CFO of TechMileage Software Solutions in Phoenix, Arizona from September 2019 to June 2020.

#### **President: CHRIS RAINS**

Chris Rains became President at OpenWorks in October 2024. Prior to this, he was the Chief Operating Officer for Keter Environmental Services, Inc. in Phoenix, Arizona from March 2023 to October 2024; the Vice President, Sales for United States Steel Corporation, a Pittsburgh, Pennsylvania company, from March 2021 to February 2023, and the Vice President, Customer Experience, for Republic Services, Inc. in Phoenix, Arizona from August 2001 to February 2021.

#### **Vice President of Provider Growth: MISTY CONNAUGHTON**

Misty Connaughton has been the Vice President of Provider Growth since August 2024. Prior to this position, she held the following positions within OpenWorks: Vice President of Performance from February 2023 to August 2024; Strategic Development Manager from May 2021 to February 2023; and Franchise Development Manager from January 2021 to May 2021. Before joining OpenWorks, Ms. Connaughton was the Region Director at Dessange Group North America headquartered in Beverly, Massachusetts from 2015 to December 2021.

## ITEM 3

### LITIGATION

#### **Pending Actions**

VS & KK Services LLC v. O.P.E.N. America, Inc. (Montgomery County Justice Court, Texas, Case No. 23CV3-003597). VS & KK Services LLC, a Texas franchisee, filed a complaint against OpenWorks alleging breaches of contract. Plaintiff seeks damages of \$16,372. OpenWorks filed a Motion to Compel Arbitration and the court set an oral argument on such motion for March 20, 2024. OpenWorks denies all allegations and anticipates that this case will proceed to arbitration and be decided in OpenWorks' favor or settled between the parties.

## **Concluded Actions**

Vontray Nubine v. O.P.E.N. America, Inc. DBA OpenWorks (Superior Court of Maricopa County, Case No. CV2021-011972 and United States District Court of Colorado Case No. 1:23-cv-02144-SBP). Mr. Nubine, a former Colorado franchisee, filed a complaint against OpenWorks alleging Breach of Contract and Breach of the Implied Covenant of Good Faith and Fair Dealing on July 28, 2021 and served OpenWorks on August 10, 2021. The Plaintiff sought damages in the amount of \$78,636.48. In January 2022, the Court granted OpenWorks' Motion to Dismiss in part and found that the Plaintiff's claims are subject to arbitration. The Court stayed the matter to allow time for the parties to participate in arbitration. The parties participated in arbitration in August 2022; the arbitrator ruled in OpenWorks' favor and the Plaintiff was ordered to pay \$67,920.36 in attorney fees to OpenWorks. The court approved the award and issued a judgment in September 2023. Since that time, the Plaintiff has continued to file frivolous petitions and motions with the Maricopa County Superior Court and the United States District Court of Colorado and remains unsuccessful with these attempts. In October 2023, the Maricopa County Superior Court ruled the plaintiff a vexatious litigant and in November 2023, the same court denied the plaintiff's motion for a new trial; the Maricopa County Superior Court case is no longer active. In the case filed in 2023 by plaintiff in the US District Court of Colorado, OpenWorks filed a Motion for Judgment on the Pleadings in November 2023. In September 2024, the Court granted OpenWorks' motion, dismissed the case with prejudice, and allowed OpenWorks to submit a motion for attorney fees.

We Clean Everything LLC v. O.P.E.N. America, Inc. (Maricopa County Superior Court, Arizona, Case No. CV2024-007361). We Clean Everything LLC, a Texas Franchisee, filed a complaint against OpenWorks alleging breaches of contract. OpenWork filed a Motion to Compel Arbitration, which was granted by the Court in July 2024. Plaintiff has not pursued arbitration, and the matter is considered closed.

Ainashe Atosh v. O.P.E.N. America, Inc. (King County District Court, Washington, Case No. 23CIV07799KCX). Mr. Atosh, a former franchisee, filed small claims complaint against OpenWorks alleging that OpenWorks failed to deliver on its promises. The Plaintiff sought damages in the amount of \$10,000. The parties reached a settlement agreement in November 2023, with OpenWorks paying the Plaintiff \$1,200.

Jody Williams v. O.P.E.N. America, Inc. (Circuit Court of Cass County, Missouri, Case No. 21CA-CC00162). Mr. Williams, a former franchisee in the Kansas City market area residing in Missouri, filed a complaint against OpenWorks alleging Breach of Contract on August 9, 2021 and served OpenWorks on August 19, 2021. The Plaintiff sought damages in excess of \$25,000. The parties reached a settlement agreement in April 2022, with OpenWorks paying the Plaintiff \$9,000 and dissolving \$9,500 of Plaintiff's debt owed to OpenWorks.

JM & GW Investments LLC v. O.P.E.N. America. (No Case Filed). Jodie Leamer, a former Texas franchisee, through herself and her entity JM & GW Investments LLC, made allegations against OpenWorks claiming Breach of Contract during the years 2019 and 2020. The parties participated in mediation in September 2022 and reached a settlement agreement, with OpenWorks paying the Plaintiff \$10,000 and dissolving the remainder of the Plaintiff's debt owed to OpenWorks.

Amber Beasley v. O.P.E.N. America, Inc. d/b/a OPENWORKS (Superior Court of California, County of Los Angeles, Case No. 19STCV43673). Ms. Beasley, a former California franchisee, individually and through her corporate entity, A&M Truckings, LLC, filed a complaint against

OpenWorks alleging Breach of Contract. She sought damages in the amount of \$90,000. This matter was fully settled in April 2020, with OpenWorks paying the plaintiff \$4,000 and forgiving her debt in exchange for Plaintiff's release.

Ruth Mark v. O.P.E.N. America, Inc. d/b/a/ OPENWORKS (U.S. District Court for the District of Colorado, Case No. 1:18-cv-02412-NRN; U.S. District Court for the District of Arizona, Case No. 2:18-cv-03780-JAT). Ms. Mark, a Colorado franchisee, filed a Class and Collective Action Complaint and Jury Demand against OpenWorks alleging breach of the Fair Labor Standards Act, violation of the Colorado Minimum Wage and Overtime Law, violation of the Arizona Consumer Fraud Act, as well as allegations under Arizona law for fraud, negligent misrepresentation and breach of the duty of good faith fair dealing. She sought an unspecified amount of actual, compensatory and punitive damages. OpenWorks was served with the lawsuit in October 2018. In November 2018, OpenWorks filed a Petition to Compel Arbitration in the U.S. District Court for the District of Arizona and filed a Motion to Stay Litigation in the Colorado District Court, asserting that the franchisee's claims arise from the Franchise Agreement and that the franchisee agreed in the Franchise Agreement to arbitrate all claims in Arizona. In Colorado, the Motion to Stay Litigation was denied in January 2019 and OpenWorks filed a Notice of Appeal to the U.S. Court of Appeals for the Tenth Circuit in January 2019. OpenWorks then filed in Colorado an Unopposed Motion to Stay All District Court Proceedings Pending Appeal which the Colorado District Court granted in February 2019. In March 2019, OpenWorks filed its appeal of the Colorado decision. In Arizona, OpenWorks filed a Petition to Compel Arbitration in February 2019. This matter was settled in November 2019, with OpenWorks paying the named Plaintiff \$70,000 and forgiving her debt in return for Plaintiff's release. This matter was fully settled in June 2020, with OpenWorks paying the six remaining opt-in plaintiffs a total of \$41,500 and forgiving their debts in return for releases from each of them.

L. Solano v. Tanaka, Reliable Maintenance, Cambro Manufacturing Co., OpenWorks, O.P.E.N. America, Inc. (Superior Ct. CA, Orange County, Case No. 30-2015-00823186-CU-OE- CJC). Luisa Solano was an employee of a Tanaka, an OpenWorks franchisee who was doing business as Reliable Maintenance. The employee provided cleaning services at Cambro Manufacturing ("Cambro") at the franchisee's instruction. The employee alleged claims of failure to provide meal periods, failure to authorize and permit rest periods, failure to pay minimum wages, failure to pay overtime wages, failure to pay split shift premiums, waiting time penalties, failure to make adequate itemized statements, violation of California Labor Code section 2801 and a general violation of Business and Professions Code Section 17200, et seq. for unlawful, unfair or fraudulent business practices. OpenWorks filed an answer July 2016, denying all claims made against it, and Cambro filed a demur, disagreeing with the allegations. The franchisee fled the country and refused to return. Without any admission of liability and with a denial that OpenWorks or Cambro ever acted in a manner that violated any statutory law or other right, OpenWorks and Cambro settled the matter for a payment of \$12,500 to the employee and a payment of \$2,500 to the California Labor Workforce and Development Agency in return for the employee's release and dismissal of claims against OpenWorks and Cambro, which was approved by the court in January 2017.

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

#### **ITEM 4 BANKRUPTCY**

No bankruptcy is required to be disclosed in this Item.

## ITEM 5 INITIAL FEES

You must pay OpenWorks an initial franchise fee, determined as described in the chart below. The initial franchise fee is non-refundable unless OpenWorks is unable to offer the applicable initial monthly account volume to you for the package you purchase within the fulfillment period specified in the Franchise Agreement. The full initial franchise fee is due when you sign your Franchise Agreement.

OpenWorks Package	Initial Monthly Account Volume (Note 1)	Franchise Fee
OW P	0	2,500
OW GrOW	0	6,000
OW 7	7,000	24,850
OW 10	10,000	33,000
OW 25	25,000	72,000

Notes:

1. The initial monthly account volume is the amount of the gross monthly dollar volume of the cleaning accounts that are packaged together for the franchise level you purchase. Your monthly account volume may increase if you add additional cleaning accounts. If a cleaning account terminates its maintenance agreements, OpenWorks will replace that account under certain circumstances. Refunds are only offered as described below in this Item 5.

### Veterans Financing Program.

For veterans, OpenWorks will offer a 10% discount off the initial franchise fee, which discount is deducted from the amount financed.

OpenWorks Package	Initial Monthly Account Volume (Note 1)	Franchise Fee	10% Discount For veterans (Note 1)
OW P	0	2,500	250
OW GrOW	0	6,000	600
OW 7	7,000	24,850	2,485
OW 10	10,000	33,000	3,300
OW 25	25,000	72,000	7,200

Notes:

1. The initial Monthly Account Volume is the amount of the gross monthly dollar volume of the cleaning accounts that are offered to you for the franchise level you purchase. Your monthly account volume may increase if you add additional cleaning accounts. If a cleaning account terminates its maintenance agreements, OpenWorks will replace that account under certain circumstances. Refunds are only offered as described below in this Item 5.

#### Both programs

The fee schedule does not include sales tax which is your responsibility. It is your responsibility to comply with all applicable laws, including tax liability.

The initial franchise fee and terms of payment shown in the chart above are uniform for all franchisees, except in the event that OpenWorks adopts a temporary incentive program under certain circumstances. For example, if OpenWorks is expanding its franchise program into a new state, then OpenWorks may offer a discount reducing the total initial franchise fee for the first franchisees in that new area that execute franchise agreements. Discount programs are determined by OpenWorks in its sole discretion and most often range between a \$2,000 to a \$5,000 reduction in initial franchise fee. In 2024, OpenWorks various department promotions ranging from \$500 to \$5,000 off initial franchise fees. Incentive programs may involve discounted initial franchise fees or gift card programs. The initial franchise fee does not apply to franchisees signing a renewal agreement.

Higher franchise levels with increased account volume may be available in your area. If so, then the additional account volume would be offered in additional \$5,000 increments from the levels at OW 25. The franchise fee would be calculated as the OW 25 franchise fee of \$72,000 plus a multiplier of 3 times the increased volume amount. For example, for a \$5,000 increase from a \$25,000 account volume to a \$30,000 account volume, the initial fee would be calculated as  $\$72,000 + (\$5,000 * 3)$  or \$87,000. The veteran's program would have a 10% discount would be deducted. See Item 10.

The initial franchise fee is non-refundable unless OpenWorks has been unable to offer the applicable initial monthly account volume to you for the package you purchased within the fulfillment period specified in the Franchise Agreement. See Item 11 for the time periods in which OpenWorks must offer accounts to you. The fulfillment periods range from 240 days for the OW 7 package to 780 days for the OW 25 package, following completion of all requirements. For packages over OW 25, the fulfillment period is an additional 150 days for each additional \$5,000 in account volume. If OpenWorks does not offer you the volume of accounts within the time period required, your sole remedy is a partial refund, as described below. OpenWorks can reduce the volume of accounts at any time by refunding the applicable portion of your initial fee.

If OpenWorks is unable to offer the initial monthly account volume for the franchise package you purchased during the applicable fulfillment period, you may request in writing within 30 days of the end of the fulfillment period a partial refund of the initial franchise fee instead of waiting for the remaining volume. The partial refund will be in the form of a reduction of a promissory note owed to OpenWorks by you, or if no promissory note exists, a cash refund. The credit or refund will be an amount equal to the difference between the initial monthly account volume of the package you purchased and the actual account volume of the account(s) actually provided, multiplied by the package multiplier applicable to the package that was purchased. The package multipliers are as follows:

<b><u>OpenWorks Package</u></b>	<b><u>Multiplier</u></b>
OWP / OWGrOW	N/A
OW7	2.71
OW10 and above	2.56

OpenWorks has the right to offset any amounts you owe it at the time of any refund against the amount of the refund.

The following is an example of the calculation of a credit or refund:

*You purchase OpenWorks Package OW7 for \$24,850, with \$14,850 down and \$10,000 financed. This Package should generate \$7,000 in Account Volume per month. However, OpenWorks offers you accounts that generate a total of \$6,000 in Account Volume per month by the end of the fulfillment period. To calculate your refund, the first step is to subtract the actual account volume from the initial monthly account volume for the package purchased, as follows:  $\$7,000 - \$6,000 = \$1,000$ . The difference is then multiplied by the multiplier for OpenWorks Package OW7:  $\$1,000 \times 2.71 = \$2,710$ . However, since you have an outstanding note balance of \$10,000 payable to OpenWorks (assuming no payments were made), the \$2,710 refund will apply to that balance. Therefore, in this case the promissory note is reduced from \$10,000 to \$7,290 ( $\$10,000 - \$2,710 = \$7,290$ ) and no cash refund is given.*

The reason why the net cost to you of the accounts provided to you in the above example is less than it would have been if you had purchased the smaller package in the first place is that the cost per dollar of initial account volume decreases as the size of the package increases. If OpenWorks fails to provide you with the initial monthly account volume for the package you purchase, your initial franchise fee is still calculated at the same cost per dollar of initial monthly account volume as the package that you purchased.

OpenWorks will verify the credit of and conduct a background check on all your owners and/or members. You must pay a background check fee of up to \$80.00 per individual.

## ITEM 6 OTHER FEES

<b>Type of Fee</b>	<b>Amount (Note 1)</b>	<b>Due Date</b>	<b>Remarks</b>
Royalties	15% of Gross Revenue (Note 2)	Monthly	Paid to OpenWorks as part of its billing and collection services. Subject to a minimum of \$300 monthly royalty fee.
Advertising Fund Fee	Up to 3% of Gross Revenue (currently 2.5% is collected)	Monthly	Deducted from funds OpenWorks remits to you.



Type of Fee	Amount (Note 1)	Due Date	Remarks
Marketing Fees	Three times one month's billing on a new account or on the increase in an existing account	Upon contracting for additional account unless financed	We reserve the right to increase the marketing fees at any time by providing you with 30 days advanced written notice or by amending the Manual.
Technology and Innovation Fee	Up to 2% of Gross Revenue (currently .5% is collected)	Monthly	We reserve the right to increase the technology and innovation fees at any time by providing you with 30 days' advanced written notice or by amending the Manual.
Background Check Fee	Currently up to \$80 per background check	Prior to signing Franchise Agreement for each owner and thereafter, upon request for background check	OpenWorks will verify your credit and perform a background check again if requested by a client.
Special Project Fee	0% or 15% or 30% of Gross Revenue from job	Upon payment of revenue to Franchisee	Percentage depends on whether you or OpenWorks obtained and/or priced the job. Deducted from funds OpenWorks remits to you. (Note 3)
Initial Training Fee	\$250 per group	Upon registration for training	No charge for first group trained before you begin business.
Continuing Training Classes	\$0 to \$150 per class or platform	At beginning of class	Classes may be optional or mandatory, at OpenWorks' discretion.
Cancellation Charge	\$50	Upon missing appointment	For any training class, inspection or appointment with OpenWorks or a customer, including any cleaning, that you schedule and fail to attend.



Type of Fee	Amount (Note 1)	Due Date	Remarks
Renewal Fee	\$2,500	Upon signing of new Franchise Agreement	Paid to OpenWorks.
Account Transfer Fee	\$50 per Account	Upon approval of transfer by OpenWorks	Applies to transfer of one or more, but less than substantially all, of your Accounts.
Franchise Transfer Fee	\$1,000 to \$2,500	Before transfer	\$1,000 for transfer of a partial interest to an existing co-owner unless the co-owner will have a controlling interest and has not completed training; \$2,500 transfer fee of more than 50% or greater ownership to a new owner.
Document Preparation Fee	\$250	Upon request for preparation	Payable only if you request the preparation of customized documents for marketing or other purposes.
Unauthorized Marketing Fee	\$200	Upon discovery and request	If you use any unauthorized marketing materials, OpenWorks may impose a fee of \$200 per violation, which may continue to be imposed on a monthly basis if the violation continues.
Trouble Call Fee	\$50 per occurrence, plus reimbursement if replacement services are required	Upon discovery of the need	Compensates OpenWorks for investigating and fixing customer complaint; current charge of \$50 is subject to change.
Insurance	Currently 3.6% of Gross Revenue (subject to change upon notice)	Monthly	Payable if you choose to enroll in OpenWorks' insurance program or fail to maintain required insurance and OpenWorks enrolls you in its insurance program. See Item 8. (Not available in New York)

Type of Fee	Amount (Note 1)	Due Date	Remarks
Workers' Compensation Insurance	Varies based on state of operation	Monthly	This fee is payable to us only if you do not carry your own Workers' Compensation Insurance and you are enrolled in OpenWorks' insurance program. (Not available in New York)
Supplier Evaluation	OpenWorks' expenses (estimated to range from \$100 to \$5,000)	Upon demand	If you request evaluation of a new supplier, you must reimburse OpenWorks' expenses for inspections, investigations and testing.
Customer Charges	Amount customer charges plus \$500/day	Upon demand	Payable only if customer keys and codes are not turned over to OpenWorks immediately when you are removed from or discontinue services to a customer for any reason.
Indemnification	Amount of OpenWorks' liabilities	As incurred	Covers claims and liabilities incurred by OpenWorks relating to your operation of your business.
Audit Costs	OpenWorks' expenses (\$100 to \$5,000)	Upon demand	Payable if OpenWorks must obtain an audit due to Franchisee's deficiencies. For example, if you do not report all your Gross Revenue to OpenWorks.
Attorneys' Fees	Amount incurred by OpenWorks	As incurred	Attorneys' fees and costs for enforcing your agreements.
Interest on Unreimbursed Advances	12% per year	Beginning on the 91 <sup>st</sup> day after an advance is not repaid	Payable on amounts OpenWorks advances to you before your customers pay, if your customers don't pay and you don't reimburse OpenWorks within 90 days.
Interest on Late Payments	Lesser of 21% per year or highest rate allowed by law	Upon demand	

Type of Fee	Amount (Note 1)	Due Date	Remarks
Lost Document Fee	\$25 per replacement copy	Upon request for copy of lost document	Payable if you request a replacement of any damaged, lost or otherwise misplaced document relating to the franchise relationship.

**Notes:**

1. All amounts referred to in this chart are payable to OpenWorks and are non-refundable and uniformly imposed.
2. Gross Revenue is the total amount paid by all customers for your services within an accounting period. There is no reduction for taxes or any other purpose.
3. Applies to any one-time, non-recurring job that you perform, such as carpet cleaning, for which OpenWorks prices and/or solicits the job, regardless of who originally obtained the customer. If you obtain and price the job, the special project fee is zero. If you obtain the job, but OpenWorks prices the job, the special project fee is 15% of the total contract price. If OpenWorks obtains the job, but you price the job, the special project fee is 15%. If OpenWorks obtains and prices the job, the special project fee is 30%.

**ITEM 7  
ESTIMATED INITIAL INVESTMENT**

Your Estimated Initial Investment				
Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee (Note 1)	\$2,500 to \$72,000	Lump sum	At signing	OpenWorks
Background Check Fee (Note 2)	Up to \$80 per individual	Lump sum	Prior to signing and as incurred	OpenWorks
Expenses During Training (Note 3)	\$0 to \$500	As incurred	As incurred	Vendors
Uniforms (Note 4)	\$0 to \$400	As incurred	When purchased	OpenWorks or approved supplier

Your Estimated Initial Investment				
Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Computer (Note 5)	\$0 to \$1,500	As incurred	When purchased	Vendors
Additional Supplies (Note 6)	\$0 to \$500	As incurred	When purchased	OpenWorks or approved supplier
Additional Equipment (Note 6)	\$0 to \$5,000	As incurred	When purchased or leased	OpenWorks or approved supplier
Organizational Costs (Note 7)	\$500 to \$3,000	As incurred	As arranged	Attorney, accountant, adviser
Insurance (Note 8)	\$1,000 to \$3,000	Lump sums	Before opening	Carriers
Lease (Note 9)	\$250 to \$1,000	Cash or check	As required by your lease	Landlord
Construction and remodeling (Note 9)	\$0 to \$5,000	As requested by landlord	As requested	Landlord or Contractor
Furnishings (Note 9)	\$0 to \$7,500	Cash or financing	As requested	Various Suppliers
Additional Operating Funds for 6 to 12 Months (Note 10)	\$0 to \$35,000	As incurred	Varies	Employees, others
<b>Total</b>	\$4,250 to \$134,480			

Your estimated initial investment before you begin operating your business and for your first three months of operations are shown on this chart. Except for the initial franchise fee, all figures are estimates and payments to OpenWorks are nonrefundable.

**Notes:**

1. The initial franchise fee is non-refundable unless OpenWorks has been unable to offer the applicable initial monthly account volume to you, in which case you may elect to receive a partial refund. See Item 5.

2. Prior to executing the Franchise Agreement and as requested during the term of the Franchise Agreement, you will pay OpenWorks a background check fee for verifying the credit history and conducting a background check of each owner and/or member of Franchisee. The fee is currently up to \$80 per individual. You will execute the Background Check Release and Authorization Form attached to this Franchise Disclosure Document at **Exhibit N**.

3. Most trainees remain living at home and commute to training as needed, but you may have costs for travel and meals during training.

4. All members of your cleaning crew must wear uniforms previously approved by OpenWorks. Uniforms for your cleaning crews consist of an OpenWorks shirt. During all business hour visits to the customer, you or your designated manager, if you have one, must be in professional business attire or in business casual attire with an OpenWorks polo shirt with the OpenWorks logo. The range shown is the initial purchase cost of uniforms for one to 20 people. OpenWorks will provide you with two t-shirts and one polo shirt as part of your initial package for all gross monthly dollar volume levels. The cost of t-shirts currently ranges from \$12 to \$28, the cost of polo shirts ranges from \$15 to \$29. All prices are determined by outside vendors and are subject to change.

5. You must have a computer system and mobile smart phone with sufficient data capabilities for you to access the Internet, e-mail, and other required mobile and non-mobile technology platforms.

6. You may elect to purchase additional supplies or purchase or lease additional equipment in addition to those supplied by OpenWorks.

7. The amount for organizational costs will include the cost to form an entity and obtain advice from independent advisors.

8. Premiums for the first three months for general liability, employer's liability coverage, and workers' compensation insurance. You may elect to purchase certain insurance through the insurance program we sponsor if available in your state.

9. An OpenWorks franchise is designed to be compatible with a home-based business model. No retail or commercial location will be required. OpenWorks provides some administrative support from its offices, such as billing and customer service support. Factors that should be considered when selecting an office location for your OpenWorks business, if needed, should include: quality of neighborhood and area, overall need for leasehold improvement and/or fixtures and rental square footage rate for the area. All of the above factors are relative to one another. If you need to acquire office space to accommodate your OpenWorks business, you may need to make certain improvements to your office space. The cost of leasehold improvements will vary based upon size, condition and location of the premises, local wage rates and material costs. You may have to purchase or lease office furniture if you do not currently have office furniture. We do not recommend you begin operating your business from an outside location. The vast majority of past and current franchisees have chosen to operate their businesses out of their homes.

10. The estimate for additional operating funds includes amounts required to cover operating shortfalls and cash flow shortages during your first six to twelve months of operation. OpenWorks relied on its own experience and that of its former subsidiaries as of the FDD issuance date on the cover of the FDD in estimating this amount. This figure DOES NOT include anything for your salary or living expenses.

## **ITEM 8**

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

#### **Required Purchases from OpenWorks**

OpenWorks provides you with routine billing and collection services which you are required to use. For one-time special projects, OpenWorks charges a special project fee of 15% or 30% of the Gross Revenues from the project. See Item 11 for a detailed description of these services, and Item 6 for more information about the calculation of these fees. These fees are deducted from the revenue collected by OpenWorks and remitted to you.

There are no other goods or services that you must purchase from OpenWorks as of the date the Franchise Disclosure Document was issued, although OpenWorks may require you to do so in the future. Other than OpenWorks itself, there is no supplier in which an officer or director of OpenWorks owns an interest.

#### **Optional Purchases and Leases from OpenWorks**

#### **Marketing Services for Additional Accounts**

You may request OpenWorks to provide you with additional accounts. If your franchise and its services to your then-current accounts are in good standing, then OpenWorks may offer you such accounts or increased billings under accounts you are already servicing. See Item 11 for a description of these services. If you ask OpenWorks to provide you with additional accounts, or if you accept any additional or increased accounts, you must pay OpenWorks a marketing fee. The current marketing fee is 3.0 times the monthly additional account volume. The marketing fee is not refundable. OpenWorks may finance a portion of the marketing fee if you meet OpenWorks' conditions and qualifications. You must sign an Agreement for Account Assignment or Increase, which is attached as **Exhibit E** to this Disclosure Document, for each account you agree to service.

#### **Equipment and Supplies**

OpenWorks itself is an approved supplier of equipment, and you may purchase equipment from OpenWorks if you wish. See the Equipment Purchase Agreement form attached as **Exhibit F** to this Disclosure Document. OpenWorks expects to sell this equipment at its cost, plus an administrative fee of up to 40%.

#### **Insurance**

You will be subject to the following requirements and policies regarding insurance for your franchise:

- You must purchase and maintain a policy or policies of comprehensive public liability insurance, including employer's liability coverage, product liability coverage, covering all janitorial service assets, personnel and activities on an occurrence basis with a combined single limit for bodily injury, losses, death or property damage of not less than \$2,000,000.
- In some instances an Account may request additional insurance, which you will have to additionally purchase.

- You must obtain hired and non-hired auto insurance with a minimum of \$1,000,000 liability coverage on all vehicles involved in the OpenWorks business.
- You must carry property insurance in a minimum amount equal to the replacement value of your interest in the Janitorial Service supplies, vehicles and equipment.
- You must maintain workers' compensation policies for your employees in an amount not less than \$1,000,000 and not less than the minimum requirements of applicable law.
- You must maintain policies of disability insurance and any other types of insurance required by applicable law.
- You must maintain business interruption insurance in an amount sufficient to pay OpenWorks for at least six months of your obligations to us, including financed note payables, royalty fees, advertising fund fees and any other amounts that would have been earned or paid.
- OpenWorks may increase the minimum coverage requirements set forth in this Franchise Disclosure Document annually if necessary to reflect inflation or other changes in circumstances.
- Each insurance policy that is required under this Franchise Disclosure Document must contain a provision that the policy cannot be canceled without 10 days' written notice to OpenWorks; it must be issued by an insurance company with a rating of A- or better by A.M. Best, designate OpenWorks and its officers and directors as an additional named insured, and be satisfactory to OpenWorks in form, substance and coverage. You must deliver a certificate of the issuing insurance company evidencing each policy to OpenWorks within ten days after the policy is issued or renewed.
- If you fail to purchase the required general liability insurance or any additional insurance, OpenWorks may enroll you in any insurance program it sponsors or purchase the insurance for your benefit and deduct the premiums and other related costs from your monthly Gross Revenue. If enrolled, OpenWorks and its officers are named as an additional insured on the policy. Failure to maintain the required amounts and types of insurance set forth in this Franchise Disclosure Document, or any other insurance required by applicable law, may result in a loss of Accounts or termination of your Franchise Agreement.

Currently, 70% of franchisees participate in the Worker's Compensation insurance program that OpenWorks sponsors with Tangram Insurance Services ("WC Carriers") and 65% of franchisees participate in the General Liability insurance program that OpenWorks sponsors with CNA Insurance ("GL Carrier"). The remainder of franchisees elect to arrange for their own insurance from other insurance carriers. The WC Carrier offers Worker's Compensation that meets the applicable state's requirements and includes \$1,000,000 of coverage for bodily injury by Accident – each accident, \$1,000,000 of coverage for bodily injury by disease – each employee and \$1,000,000 of coverage for bodily injury by disease – policy limit. There is no deductible for the Workers Compensation program. The GL Carrier offers \$1,000,000 each occurrence, \$100,000 damage to premises rented to you, \$10,000 medical expense limit, \$1,000,000 personal injury limit, \$2,000,000 general aggregate limit and \$2,000,000 products/completed operations aggregate limit. The deductible for the General Liability insurance program ranges from \$0 to \$500. If a franchisee has a potential claim, the franchisee would contact OpenWorks who will provide the franchisee with the applicable insurance company agent to work with for processing the claim. The franchisee is liable for any claim that is outside of the policy coverage. OpenWorks annually purchases a policy that covers a certain amount of gross customer billings for its



franchisees that elect to participate as well as coverage for itself and its own employees. OW evaluates the carriers each year and may substitute carriers during the year. OpenWorks determines the premium cost for its franchisees that elect to be covered under the policy based on the ranges of gross billing amounts by the franchisee. Franchisees with more gross billings will pay a higher premium. On an annual basis OpenWorks provides the franchisee information and gross billing amounts for all franchisees in the program to the insurance company along with insurance certificates for non-participating franchisees. The amount a franchisee will pay will vary on an annual basis based on the insurance costs and the franchisee's gross billings. OpenWorks includes an administrative fee for the premiums for handling the program but there is no markup on the deductible amount a franchisee pays for a claim. Franchisees electing to purchase workers compensation insurance through OpenWorks will be required to file the forms stated in the Manual which are currently a Form 941 Quarterly Tax Return to its WC Carrier or OpenWorks, in OpenWorks' discretion, each quarter within 10 days of filing. OpenWorks will provide a certificate of insurance to each cleaning customer upon request for any franchisee that elects to participate in the program and to any franchisee upon request.

### **Approved Suppliers and Specifications for Goods and Services**

In order to manage the reputation of the OpenWorks network for delivery of uniform, quality service, OpenWorks requires that you use only cleaning supplies and equipment approved by OpenWorks and that you obtain all the uniforms, forms, cleaning materials and supplies that you use from suppliers that OpenWorks designates or approves. OpenWorks will give you, in the Manual or otherwise in writing, a list of names and addresses of suppliers of goods and services that OpenWorks designates or approves and a list of approved equipment and supplies. OpenWorks may revise the Manual periodically. See Item 11.

If you wish to use any product that is not previously approved by OpenWorks to meet OpenWorks' specifications or that is sold by a supplier not previously approved by OpenWorks, you must advise OpenWorks of this fact and, upon OpenWorks' request, give OpenWorks product specifications, sample products, and/or information about the supplier. OpenWorks will communicate either its approval or its reasons for withholding its approval to you within 10 business days. Silence may not be construed as consent. The primary criteria considered by OpenWorks in approving suppliers and products are the consistency and commercial-grade strength of products and the willingness of suppliers to render product support. As a condition of approving a supplier or product, OpenWorks may require you to reimburse it for any expenses reasonably incurred by OpenWorks in inspecting the supplier's premises, investigating the supplier, and testing the product. As a condition of approving a supplier of any product that will bear the Trade Name or Marks, OpenWorks may require that the supplier sign a license agreement with OpenWorks or provide a rebate. OpenWorks may withdraw its approval of a supplier or product if either or both no longer meet OpenWorks' standards or specifications. OpenWorks will notify you in writing if this occurs.

### **Revenues from Sales and Leases to Franchisees**

In the year ended December 31, 2024, the gross deposits for franchisee insurance and bonds collected by OpenWorks, net of premiums paid was \$1,582,436 which was 1.7% of OpenWorks' total revenues of \$91,970,336.

In the year ended December 31, 2024, the gross revenues of OpenWorks from franchisees' purchases of services and supplies, and purchases and leases of equipment, including interest where any such purchases were financed, were \$0, which was 0% percent of OpenWorks' total revenues of \$91,970,336.

## **Percentages of Franchisee Purchases and Leases**

OpenWorks estimates that the costs of the goods and services you purchase and lease from OpenWorks and its approved suppliers, and in accordance with OpenWorks' specifications, will be over 98% of your total purchases and leases in connection with the establishment of your business, and of your total annual purchases and leases thereafter in connection with the ongoing operation of your business as of the date this Disclosure Document was issued.

## **Purchasing Cooperatives**

There are no purchasing or distribution cooperatives for the purchase or lease of goods or services relating to your business as of the date this Disclosure Document was issued.

## **Supplier Purchase Arrangements**

From time to time, OpenWorks or its affiliates may negotiate one or more agreements with suppliers of uniforms, chemicals, equipment or supplies in order to ensure competitive pricing and quality for its franchisees. OpenWorks may also recommend certain suppliers of business services such as payroll services, accounting services, lending services, which are optional for you to use. OpenWorks may under some circumstances receive rebates from such suppliers of 1% to 15% of the amounts of purchases or services by franchisees. Except as discussed above, OpenWorks has not negotiated purchasing arrangements on behalf of its franchisees in the past.

## **Material Benefits**

OpenWorks does not provide any material inducements or special benefits (such as renewal or additional franchises) to you based on whether you make purchases or enter into leases with OpenWorks or any approved supplier.

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

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

<b>Obligation</b>		<b>Section in Agreement</b>	<b>Disclosure Document Item</b>
a.	Site selection and acquisition/lease	Not applicable	7, 8, 11
b.	Pre-opening purchases/leases	Not applicable	5, 7, 8
c.	Site development and other pre-opening requirements	Not applicable	5, 7, 12
d.	Initial and ongoing training	5.1	11
e.	Opening	7.2.1	11

Obligation		Section in Agreement	Disclosure Document Item
f.	Fees	5.4.2, 6	5, 6, 7, 8
g.	Compliance with standards and policies/Operating Manual	7.2	8, 11, 14
h.	Trademarks and proprietary information	3.7, 3.18, 3.22, 3.25, 7.1, 8.1, 8.5	13, 14
i.	Restrictions on products/services offered	7.2.4	16
j.	Warranty and customer service requirements	7.2.3, 7.2.5	16
k.	Territorial development and sales quotas	Not applicable	12
l.	Ongoing product/service purchases	5.8	8, 10
m.	Maintenance, appearance, and remodeling requirements	Not applicable	8, 17
n.	Insurance	7.3	6, 8
o.	Advertising	5.7, 7.1.3	6, 8, 11
p.	Indemnification	8.4	6, 13
q.	Owner's participation/management/staffing	7.2.8, 7.2.10, 7.2.11	7, 15
r.	Records and reports	5.4	6
s.	Inspections and audits	6.6, 6.7, 7.2.6	6
t.	Transfer	9	6, 17
u.	Renewal	4.2.2	17
v.	Post-termination obligations	5.2.6, 8.5.4, 10.4	17
w.	Non-competition covenants	8.6	17
x.	Dispute resolution	11	17
y.	Other: Guaranties, Confidentiality and Non-Competition Agreement; Spousal Consent (Note 2)	11.13, Attachments 3, 4 and 6	6, 10, 15, 22

## ITEM 10 FINANCING

### **Marketing Fee**

You may finance a portion of any marketing fee, subject to OpenWorks' discretion and approval. The amount OpenWorks will agree to finance will depend on the size of the transaction, your other debt, your credit history, and your anticipated cash flow. In order for OpenWorks to evaluate your credit history, prior to execution of the Franchise Agreement you must complete a background check authorization form which is attached as **Exhibit O** to this Franchise Disclosure Document. (This form may be revised by the credit agency.) You will be required to provide your birth date, social security number, driver's license information and current address. Your execution of this form is your notification that a background check will be ordered on you to evaluate your credit history.

Financing terms are 12% per year (unless reduced at OpenWorks' discretion) or the highest rate permitted by applicable law, whichever is less, over up to a two year period. The loan will be evidenced by a promissory note in the form of **Exhibit D** to this Franchise Disclosure Document.

If the down payment is not paid when the contract is signed, it must be paid as a first installment, and the balance plus interest will be payable in up to 24 equal monthly installments, in OpenWorks' sole discretion. The minimum down payment for the marketing fee is 20% of the additional billing volume.

No collateral is required to secure the note. However, the personal guaranties of the Franchise Agreement signed by your principals and their spouses will also cover the note. A personal guaranty may override the protections given to your personal assets that your ownership interest in a corporation or limited liability company generally provides. The guaranty includes a provision that you may not bring a counterclaim or setoff to any claim brought by OpenWorks under the note. The note may be prepaid at any time without penalty. There is an acceleration clause that becomes effective upon certain events of default.

If a default occurs under the note, your Franchise Agreement, or any other agreement that you have with OpenWorks, or if OpenWorks determines in its reasonable judgment that your financial condition has become unsatisfactory, OpenWorks can accelerate the entire amount due under the note, collect its costs and attorneys' fees, and terminate your franchise if the note is not paid in full immediately. One of the default provisions is that OpenWorks may accelerate the amount due under the note if you fail to pay, withhold, collect or remit any tax when it is assessed or due. There are other default provisions.

The note includes a waiver of notice. If the particular events of default listed in the note occur, OpenWorks is not required to give you notice of the default before calling the note due under the acceleration clause.

OpenWorks reserves the right to assign your note. OpenWorks has not sold notes in the past, and has no present intention to do so in the future. OpenWorks has pledged its stock to a bank as collateral for a loan, and anticipates continuing to do so. OpenWorks itself remains fully obligated to you to perform all the services for which you give the note and you retain all your defenses against OpenWorks. As a result of the pledge to the bank, however, you may not be able to assert your defenses against the bank if the bank is collecting your payments on the note. In that case, you would have to assert your claims against OpenWorks in a separate action.

## **Equipment**

OpenWorks has an equipment purchase program to finance purchases of equipment for use in its franchisees' businesses. OpenWorks is the lender in these transactions. It will finance the entire purchase price of the equipment at an annual interest rate of 12%. The agreement requires 12 equal monthly payments.

The equipment itself is the collateral and normally you are the only guarantor. Prepayment in whole or in part may be made at any time without notice or penalty. Should a default occur, then the whole sum of principal, and interest thereon which shall then have accrued but which remains unpaid, shall become immediately due and payable at the option of OpenWorks, with default interest on the entire unpaid principal and accrued and unpaid interest from the date of such default until paid at the lesser of (i) the rate of one percent (1%) per month, or (ii) the highest rate permitted by applicable laws.

## **No Other Financing**

OpenWorks does not directly or indirectly offer any other financing to you. OpenWorks does not guarantee any loan, lease or other obligation you may enter into with a third party. OpenWorks does recommend certain independent third party lenders for franchisees to contact. OpenWorks receives a \$1,000 referral fee from Guidant Financial for each franchisee that enters into an agreement with the lender. OpenWorks receives a rebate of 9% of the invoiced rate from its other recommended lender, LENDZEE. OpenWorks not receive any other direct or indirect payments for any financing you may receive from third parties.

## **ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEM, AND TRAINING**

**Except as listed below, OpenWorks is not required to provide you with any assistance.**

### **Our Obligations Before Opening**

Before the opening of the franchised business, we will provide you with the following:

- (1) No requirement for site approval. You do not need to have our approval of any business location provided that you stay within your territory. (Franchise Agreement § 4.1.1.)
- (2) Initial Training Program. Before you begin business, OpenWorks will conduct a training program in the operation of an OpenWorks janitorial service business as more fully discussed below under the caption "Training." (Franchise Agreement § 5.1.1.)
- (3) Equipment and Supply List. You must use only equipment and supplies from our designated and approved suppliers. We will provide you with an equipment list and supplier list. (Franchise Agreement § 5.3.)
- (4) Manual. OpenWorks will lend you its Operations and Safety Manual as more fully discussed below under the caption "Manual." (Franchise Agreement §§ 5.6. and 5.8.)
- (5) Initial Accounts. You will not begin operations until you have met our training, formation, equipment, and certificate requirements. Once you have met these

obligations, you may commence operations by finding accounts, and, if required, OpenWorks will offer you cleaning accounts whose gross monthly dollar volume of cleaning services will be cumulated to reach the initial monthly account volume of the franchise package you purchase. (Franchise Agreement § 5.2.)

### Our Obligations during Operations

OpenWorks is not required to offer you any assistance not described below after you begin business.

- (1) Opening. After you have met our requirements and accepted at least one account, you will begin operations. OpenWorks will continue to offer you cleaning accounts whose gross monthly dollar volume of cleaning services will be cumulated to reach the initial monthly account volume promised in the Franchise Agreement within the fulfillment period for the franchise package you purchase. OpenWorks has between 240 to 780 days to offer you the cumulative volume of these accounts, depending on the package purchased. See the chart in this Item 11. (Franchise Agreement § 5.2.)
- (2) Equipment and Supply Kit. For all packages except the OW P package, at no additional charge, OpenWorks will provide you with an initial equipment and supply kit to operate your business. (Franchise Agreement § 5.3.)
- (3) Billing and Collection. OpenWorks will provide billing and collection services. (Franchise Agreement § 5.4.1.)
- (4) Limited Cash Flow Protection Service. In certain circumstances only, during your initial fulfillment period OpenWorks will advance you a sum equal to any delinquent payments that should have been, but were not, received by OpenWorks from certain customers you serviced. Any such sums advanced to you by OpenWorks must be paid to OpenWorks within 90 days after the date upon which payment was due from the Account whose payment was delinquent. Thereafter, you must repay OpenWorks or it may deduct amounts owed to it by you for such advances from any and all money collected by OpenWorks on your behalf. You must pay OpenWorks interest at the rate of 12% per year on any advances for which OpenWorks has not been reimbursed within 90 days after the date upon which payment was due from the Account. (Franchise Agreement § 5.4.2.)
- (5) Additional Accounts. In certain circumstances only, OpenWorks may offer you additional accounts. (Franchise Agreement § 5.2.4.)
- (6) Replacement of Accounts. If any of your initial accounts terminates its janitorial service agreement within one year after you begin servicing the account, OpenWorks will, in its sole and absolute discretion, either: i) offer you a replacement account within 150 days or ii) issue a partial refund of the initial franchise fee, pro-rated for account volume and days remaining in the first year of that particular account. If any of your additional accounts terminates its janitorial service agreement within six months of your acceptance of the account, OpenWorks will, in its sole and absolute discretion, either: i) offer you a replacement account within 150 days or ii) issue a partial refund of the Marketing Fee for that particular account, pro-rated for account volume and days remaining in the first 6 months of the account. (Franchise Agreement § 5.2.4.)



- (7) Consultation. Upon your request, OpenWorks will use commercially reasonable efforts to make its personnel available to you at no charge for consultation. (Franchise Agreement § 5.5.)
- (8) Advertising Fund. OpenWorks will administer an advertising fund which will be used by OpenWorks for certain marketing development and branding. (Franchise Agreement § 5.7.)

## **Our Obligations in Detail Before and During Operations**

### **Site Selection**

This is designed to be compatible with a home-based business model. No retail or commercial location will be required. However, if you decide to work out of a location other than your home, you do not need our approval of the location, provided you stay within your territory. OpenWorks has neither an obligation to help you find a site for your business nor the right to approve it.

### **Training Program**

If applicable, before you begin business, OpenWorks will conduct a training program in the operation of an OpenWorks janitorial service business as more fully discussed below under the caption “Training.” (Franchise Agreement § 5.1.1.) No initial training is provided to existing franchisees that renew their franchises; however, mandatory continuing training may be required prior to renewal, as well as occasionally during the term of the Franchise Agreement. You must arrange for your training and that of your employees. We may provide general recommendations on hiring, but all recommendations are optional, and we do not otherwise assist you in hiring your employees.

### **Equipment List and Supplier List**

You must use only approved equipment and supplies from OpenWorks’ designated and approved suppliers. We will provide you with a product list and supplier list. (Franchise Agreement § 5.3.)

### **Equipment Kit**

For all packages except the OW P package, OpenWorks will provide you with an equipment and supply kit. If you purchased an OW P package, OpenWorks will not provide you with an equipment and supply kit. The current equipment kit being provided by OpenWorks is described in Attachment 1 to the Franchise Agreement. OpenWorks may substitute certain items listed on Attachment 1 with other items that have equal or greater value or quality. No equipment and supply kit is provided to existing franchisees that renew their franchises. (Franchise Agreement § 5.3.)

### **Initial Accounts**

After all required individuals have successfully completed initial training, you have picked up your equipment, delivered to OpenWorks copies of your business license, and any required registrations, and paid the initial franchise fee, OpenWorks will offer you cleaning accounts whose gross monthly dollar volume of cleaning services will be cumulated to reach the initial monthly account volume promised in the Franchise Agreement within the fulfillment period for the



franchise package you purchase. OpenWorks' fulfillment periods are as follows for each franchise package:

<b>OpenWorks Package</b>	<b>Initial Monthly Account Volume</b>	<b>Fulfillment Period (Days)</b>
OW P / OWGrOW	0	N/A
OW 7	7,000	240
OW 10	10,000	330
OW 25	25,000	780

For packages more than the OW 25 level, the initial monthly account volume is offered in \$5,000 increments and may be available depending on your location. The fulfillment period is calculated as an additional 150 days per \$5,000 account volume.

In order to accept an account, you must execute an Account Acceptance Agreement provided by OpenWorks. You shall not begin service at an account unless and until you have received from an authorized OpenWorks representative and executed, as applicable, a) the Account Acceptance Agreement and b) the Scope of Work for the account.

If OpenWorks does not offer the applicable initial monthly account volume during the fulfillment period, your sole remedy is a credit or refund of a portion of your initial franchise fee, as described in Item 5. Such a credit or refund will fulfill OpenWorks' obligation to offer the remaining portion of the initial monthly account volume. No initial monthly account volume is provided to existing franchisees that renew their franchises. (Franchise Agreement § 5.2.1.)

You must sign an Agreement for Account Assignment or Increase, which is attached as **Exhibit E** to this Franchise Disclosure Document, for each initial and additional account you agree to service. You acknowledge and agree that you will not begin servicing an account until you have executed the applicable Account Assignment Agreement. (Franchise Agreement § 5.2.5.)

You may refuse up to two separate new accounts from the initial monthly account volume offered by OpenWorks for any reason whatsoever during the term of the franchise. To do so, you may refuse an account when it is initially offered to you. If you do not respond within the time OpenWorks designates when it invites you to a walk-through of an account, requests documentation of business plan for the account, or thereafter offers you the account, you will be deemed to have refused the account. However, each refusal of an account will extend the fulfillment period by an additional 30 days. (Franchise Agreement § 5.2.3.)

If, during the fulfillment period, you commit any default that would justify termination of an account or of your Franchise Agreement (including your failure to properly perform your janitorial service obligations) OpenWorks may, at its option, suspend the fulfillment period until the default is cured instead of terminating your service to an account or terminating the Franchise Agreement. If OpenWorks determines that you cannot or will not cure the default, OpenWorks may require you to repeat the initial training course. Once you have either cured the default or successfully completed retraining, as applicable, the prior fulfillment period will be cancelled and a new fulfillment period will begin. (Franchise Agreement § 5.2.1.)

## **Billing and Collection**

OpenWorks will provide billing and collection services for you. You must use this service and may not bill accounts yourself or make collection efforts unless authorized in writing by OpenWorks. Within 45 days after the end of each month, OpenWorks will send you your Gross Revenue for that month, after deduction of any sums currently due and payable by you to OpenWorks under the Franchise Agreement, and any amounts you have authorized OpenWorks to pay to third parties on your behalf, , which may include any damages owed due to your default of the Franchise Agreement.. OpenWorks may adjust the deadlines for reporting by you and payment by OpenWorks if it determines these adjustments are necessary because of the payment practices of customers. You will be notified of any such adjustments. (Franchise Agreement § 5.4.1.)

## **Limited Cash Flow Protection Service**

For the first 90 days of each account you accept that is part of your initial fulfillment volume, at the time of sending your monthly Gross Revenue to you, OpenWorks will advance you a sum equal to any delinquent payments that should have been, but were not, received by OpenWorks from any customers you serviced if all of the following requirements are met:

- The customer was not delinquent in the immediately preceding month;
- You are not in Default of the Franchise Agreement;
- Prior to OpenWorks advancing such sum, the customer has not terminated its Maintenance Agreement with OpenWorks or requested a new service provider at the locations you serviced;
- OpenWorks had not previously instructed you to terminate service to the customer;
- The customer was originally provided by OpenWorks;
- You submitted to OpenWorks the monthly statement of all services rendered by you, including services rendered to the delinquent customer, in a timely manner and in the form prescribed by OpenWorks; and
- As otherwise required by OpenWorks in the Manual.

Any such sums advanced to you by OpenWorks must be repaid to OpenWorks within 90 days after the date upon which payment was due from the customer. You must repay OpenWorks or OpenWorks may deduct amounts you owe it for these advances from any and all money collected by OpenWorks on your behalf. You must pay OpenWorks interest at 12% per year on any advances for which OpenWorks has not been reimbursed within 90 days. (Franchise Agreement § 5.4.2.)

OpenWorks is entitled to recover from you any costs OpenWorks incurs in collecting money owed by customers you serviced. OpenWorks may apply any money you pay OpenWorks or that is paid by any such customers to collection costs. (Franchise Agreement § 5.4.3.)

## **Additional Accounts**

You will not have the option to purchase additional franchises. However, you may request additional accounts from OpenWorks. If your franchise and its services to your then-current accounts are in good standing (as defined in Franchise Agreement §3.13), additional accounts may be accounts offered to you by OpenWorks over and above the initial monthly account volume under the following scenarios:

- You may request OpenWorks to provide you with additional accounts;
- OpenWorks may offer additional accounts to you on its own and you may accept;
- OpenWorks, in conjunction with a proposed increase in an account you are servicing, may require you to purchase the increase in the dollar account volume of that account, in which case OpenWorks may assess a marketing fee from you that is proportionate to the increase; or
- OpenWorks, in conjunction with assigning an account to you under a previous obligation, may require you to purchase the overage if the acceptance of an account would cause the gross dollar volume to exceed the amount OpenWorks is obligated to provide.

You must execute an amendment to the Franchise Agreement signifying an additional account purchase and pay the appropriate marketing fee. If you finance a portion of the marketing fee, you must execute a promissory note. See Item 10. OpenWorks may have outstanding obligations to offer accounts under more than one contract at a time. Assignment of a given account, if of sufficient monthly billing magnitude, may help to fulfill OpenWorks' obligations to offer accounts under more than one contract. (Franchise Agreement § 5.2.4.)

OpenWorks is under no obligation to provide you with additional accounts and may agree to do so solely at its own discretion.

## **Replacement of Accounts**

If any of your initial accounts terminates its janitorial service agreement within one year of when you begin servicing it, for a reason unrelated to your service of the account, OpenWorks will, at its sole and absolute discretion, either i) offer you replacement accounts within 150 days of the termination or ii) issue a partial refund of the Initial Franchise Fee, pro-rated for account volume terminated and days remaining in the one-year period. Any such partial refund will be first applied toward loan balances you owe to OpenWorks, regardless of whether they are related to the applicable account. If any of your additional accounts terminate their contracts within six months of your acceptance of the account, for a reason unrelated to your service of the account, OpenWorks will, at its sole and absolute discretion, either i) offer you replacement accounts within 150 days of the termination or ii) issue a partial refund of the Marketing Fee for the applicable account, pro-rated for account volume terminated and days remaining in the one-year period. Any such partial refund will be first applied toward loan balances you owe to OpenWorks, regardless of whether they are related to the applicable account. These obligations do not apply to accounts that are terminated as a result of your wrongful act or any nonprofessional interaction with the account, including but not limited to theft, breakage, failure to reset alarm systems, being argumentative with the account and your failure to properly provide janitorial services. OpenWorks has the sole discretion to determine if you have acted improperly. OpenWorks is not obligated to replace any account you lose because of the customer's request that the maintenance

agreement be terminated for any of the reasons stated above or the customer's request that service be provided by another franchisee. OpenWorks is not obligated to replace replacement accounts. (Franchise Agreement § 5.2.4.)

A replacement account will be of the same or greater monthly billing magnitude as the terminated accounts it replaces. If the gross dollar volume billed per month under a replacement account exceeds the terminated account, OpenWorks may assess a marketing fee based on the overage. (Franchise Agreement § 5.2.4.)

## **Consultation**

Upon your request, OpenWorks will use commercially reasonable efforts to make its personnel available to you at no charge for consultation regarding the operation of your janitorial services business. (Franchise Agreement § 5.5.)

## **Advertising**

### **Advertising Fund**

OpenWorks has the right to require its janitorial franchisees to contribute up to 3% of their monthly Gross Revenue to the Advertising Fund each month. Currently, OpenWorks is requiring you to contribute 2.5% of monthly Gross Revenue. OpenWorks currently contributes to the Advertising Fund in excess of franchisee contributions; however, it reserves the right to decrease its contribution amounts in the future. (Franchise Agreement §5.7.1.)

The Advertising Fund may be used to pay for market research, development, branding, advertising materials (including marketing materials), media space and time (print, direct mail, electronic and broadcast media), marketing technology expenses (i.e.: automation software, website chat software) for promotion or public relations programs, for quality assurance, for a national or regional advertising program, a referral program, or any combination of them. Advertising will usually be developed by outside agencies, although OpenWorks has the right to use OpenWorks' in-house marketing department. OpenWorks will give preference to Advertising Fund projects that are national or regional in scope and may also make allocations of Advertising Fund money to regional groups of franchisees or individual franchisees when desirable. There is no requirement that any of the money be spent in your area. Because the benefits of advertising and promotion are difficult to measure with precision, OpenWorks reserves the unqualified right to determine how Advertising Fund money will be spent; the sole condition is that the Advertising Fund money must be used in a manner that is reasonably related to the promotion of the OpenWorks brand, trade names and marks. The Advertising Fund money may be used to compensate OpenWorks for overhead and other expenses incurred in connection with its administration of the Advertising Fund. If all advertising money is not spent in the year in which it is collected, it will remain in the Advertising Fund for spending in the following years. In the event OpenWorks' expenditures for advertising in any fiscal year shall exceed the total amount contributed to the Advertising Fund during that fiscal year, OpenWorks shall have the right to be reimbursed to the extent of such excess contributions from any amounts subsequently contributed to the Advertising Fund or to use such excess as a credit against its future contributions. OpenWorks does not make expenditures from the Advertising Fund to solicit new franchise sales. (Franchise Agreement § 5.7.2.)

OpenWorks will administer any Advertising Fund, which will be administratively segregated on its books and records. Any payments to the Advertising Fund may be deposited in OpenWorks' general operating account and may be commingled with OpenWorks' general operating funds; subject, however, to OpenWorks' obligation to expend the monies in the Advertising Fund in accordance with its specified terms. OpenWorks will prepare an annual

summary of the manner in which the money was spent by percentages in general categories similar to the percentages listed below unless we are required by state law to provide an accounting to you. The summary or accounting will be available to you upon your written request. (Franchise Agreement § 5.7.3; Maryland Addendum). The Advertising Fund's books will not be separately audited from OpenWorks' other accounts.

During the last fiscal year, which ended December 31, 2024, OpenWorks allocated such expenditures from the Advertising Fund as follows:

Production/PR Research	32.0%
Media Placement	12.5%
Administrative Expenses	20.0%
Marketing Operations/Technology	22.5%
Franchise Marketing	13.0%
Total Used from Advertising Fund	100.0%

## **Your Advertising**

You are not required to conduct your own local advertising program. If you do conduct your own advertising, you must submit copies of all advertising materials that you propose to use to OpenWorks at least two weeks before the first time they are broadcast or published. OpenWorks will review the materials and notify you within 10 business days whether it approves or rejects them. OpenWorks will not withhold its approval unreasonably. Advertising materials that differ from previously approved materials only in such variables as date, price, or names of products will be considered to be previously approved. However, even if OpenWorks has approved specified materials, it may later withdraw its approval if it believes that is necessary to make the advertising conform to changes in the system or to correct any misrepresentation. You may not engage in telemarketing. (Franchise Agreement § 7.1.3.)

OpenWorks has no plans to establish advertising councils. There is no requirement that you participate in a local or regional advertising cooperative.

We have the right to control all electronic names and electronic commerce for our system. You may not establish an account or participate in any social networking sites (including, without limitation, Facebook, MySpace, Twitter, YouTube, LinkedIn or any other social or professional networking blog, bulletin board or chat room) or mention or discuss the franchise or OpenWorks without OpenWorks' prior written consent. If OpenWorks does consent, it has the right to review all on-line content on social media sites, blogs, in electronic communications and on other on-line sites on which OpenWorks' trademarks are used to protect the reputation and high quality associated with OpenWorks' trademarks. You must also provide OpenWorks with the account password. OpenWorks may require you to remove any questionable usage or content involving its trademarks or it may make the changes itself. OpenWorks may also require you to cease using its trademarks at all such sites. We also own any electronic names and any data collected in electronic commerce regarding our system and our trademarks.

## **Technology Systems**

OpenWorks requires you to have an email address, computer, smart phone, and internet/data ("Technology System") from which you can run your business and utilize required technology.

- **Email.** You must have an email account that supports, at minimum, a 2GB mailbox. You may use free email services such as Gmail or Microsoft Outlook or custom vanity email addresses.
- **Computer.** You must buy a computer system if you do not already have one or upgrade your current computer system to meet OpenWorks and third-party current release minimum specifications. Third-party platforms may include, but are not limited to, Microsoft Windows, Apple MacOS, Chrome, etc. Your computer must have a current anti-virus software and office suite that supports documents and spreadsheets. You are required to have a computer system that is running up-to-date operating systems, including system and application patches. We estimate the cost of purchasing the computer system will range from \$300 to \$1,600.
- **Smart Phone.** You must buy a smart phone if you do not already have one or upgrade your current smart phone to meet OpenWorks and third-party current release minimum specifications. Third-party platforms may include, but are not limited to, Apple iOS, Android, etc. Smart phone must have associated voice/SMS/data plan. Location services must be enabled when using OpenWorks technology applications for purposes of customer service related geolocated check-in and check-out and fraud prevention.
- **Internet/Data.** You must maintain an internet/data plan sufficient to utilize OpenWorks Technology System. It is suggested to have an unlimited plan to avoid data overage charges.

#### Approximate Costs

Category	Estimated Cost
Email	\$0-\$50 per user per month
Computer	\$300-\$1,600 one-time plus anti-virus and office suite licenses
Smart Phone	\$600-\$1,500 *See carrier for details and price options
Internet/Data	\$35-\$100 depending on internet service provider (computer) or voice/data plan (smart phone)
Third-Party Technology Support	If choosing to outsource support, see your IT vendor for pricing

OpenWorks will not have independent access to any information maintained in your Technology System. However, upon OpenWorks' reasonable request, you agree to permit OpenWorks, its affiliates, and any third party vendors OpenWorks designates to have independent unlimited access to all information generated by your Technology System. If you have a third-party vendor for your Technology System, you agree to send your vendor a written notice granting OpenWorks unlimited access to your data in the event of an actual or suspected data breach. You specifically agree to comply with any state required employment verification programs and any federal employment verification programs such as E-Verify.

OpenWorks will not support you in obtaining, configuring or maintaining your Technology System. You must maintain your Technology System and make updates and upgrades at your expense as your franchise business requires (as specified in the Manual) or to maintain compliance with third-party vendor support. (Franchise Agreement §§ 5.6, 7.2.2 & 7.7.) There are no contractual limitations on the frequency or cost of updates and upgrades that may be required in the future. Although you must maintain, repair and upgrade your Technology System hardware



and any software you use, neither OpenWorks nor any third party is obligated to provide such maintenance, repairs or upgrades for you.

### **Manual**

OpenWorks will lend you its Manual containing information on operational methods, safety, rules and policies, marketing, names of approved suppliers, and other information that OpenWorks believes will be necessary or helpful to you. OpenWorks will revise the Manual periodically to conform to the changing needs of the OpenWorks network and will distribute updates to you verbally or in writing. (Franchise Agreement § 5.6.)

A copy of the table of contents of OpenWorks' Manual current as of the date this Disclosure Document was issued is attached as **Exhibit G** to this Disclosure Document. The table of contents shows the total number of pages.

### **Opening**

The length of time between signing of the Franchise Agreement and payment of the initial franchise fee, and commencement of your business, may range between one day and six or more months, depending on your readiness and the availability of client accounts.

### **Training**

Before the opening of your business, OpenWorks will conduct an initial training program in the operation of a Janitorial Service business under OpenWorks' system for you, your designated manager, your principal owners involved in the business and any of your employees who wish to attend at the same time at no charge to you. The name of OpenWorks' initial training program is FirstWorks®. If you purchased an OW P package, OpenWorks may waive the hands-on portion of the initial training requirements in its sole discretion. No initial training is provided for existing franchisees that renew their franchises; however, mandatory continuing training may be required prior to renewal. You must complete the initial training program to OpenWorks' satisfaction before you can start operating your franchise. Upon successful completion of the program, along with completion of all other requirements, you are open for business and ready to service customers. The initial training program will be offered once per month and will have to be completed by you within 60 days of the signing of your Franchise Agreement. Failure to successfully complete the training course within the allotted time is a violation of the Franchise Agreement. The current initial training program is summarized in the following chart:

#### **TRAINING PROGRAM**

<b><u>SUBJECT</u></b>	<b><u>HOURS</u></b>		
	<b><u>Classroom</u></b>	<b><u>Self-Study</u></b>	<b><u>On-The-Job Training</u></b>
Orientation & Policies	0.75		
Specialized Services	3.50		
Profit & Loss Training	2.50		
Servicing Your Accounts	1.00		
Management Skills & Customer Relations	1.00		
Leadership Training	1.00		
Account Satisfaction	2.00		



<u>SUBJECT</u>	<u>HOURS</u>		
OW Technology Training	0.50		
Account Offering Training	0.75		
Vendor Relationships	2.00		
	<b>15.00</b>		
Floor Care		10 mins	
Carpets		1.00	
Restrooms		0.75	
General Cleaning		20 mins	
Chemical Training		1.00	
Safety		50 mins	
OSHA Hazardous Communications		25 mins	
OSHA Bloodborne Pathogens		0.50	
		<b>5.00</b>	
OW Technology Training			2.00
Quality Assurance			6.00
Equipment Training			1.00
Hands-On Services			11.00
			<b>20.00</b>

Training consists of several sessions, including virtual classroom lectures, video training, homework assignments, open discussions, and hands-on training. Jennifer Jones, Director of Franchise Growth, will oversee the initial training and has over 16 years in the field and with OpenWorks. Training is conducted by our Franchise Business Consultants, Regional Performance Managers, and Field Performance Managers under the direction and leadership of Director of Franchise Growth. Training may include assistance from external vendor partners.

**Note 1:** Both classroom training, either virtual or in-person, and on-the-job training is offered for each OpenWorks franchisee. Training facilities include remote classroom settings and at determined on-site locations. Travel to a predetermined on-site location may be required for the hands-on training. During the last fiscal year, OpenWorks offered its classroom training remotely, and offered its on-the-job training program at various regional locations. OpenWorks determines the sequence of training.

If you hire new employees in the future who must be trained, OpenWorks will provide the initial training program for them at \$250 per group. If you have performance issues and are required to re-attend training, then OpenWorks' fulfillment obligations will be deferred until you successfully complete training. If you do not successfully complete the training course during your fulfillment period, OpenWorks' fulfillment obligations will cease.

OpenWorks also may offer continuing education classes, on an optional or mandatory basis, and may charge you for such classes or the platform they are conducted through. (Franchise Agreement § 5.1.2.) The current charges for such classes range from \$0 to \$150 per class or platform. Continuing education classes are normally several hours in duration and taught by OpenWorks approved instructors who have at least one year experience in the field taught. Instructors may be recently hired by OpenWorks. If you are scheduled to attend a class and fail to

appear, you must pay a \$50 cancellation charge. OpenWorks may also require that you attend continuing education classes or events through external organizations at your expense.

Instructional material will consist of videos and various manuals and other written material, provided digitally through our education platform(s). All of which will be provided under the technology fee.

You must pay for transportation, meals and other incidental expenses incurred during training. Neither you nor your employees will be compensated by OpenWorks for any work performed during training.

## **ITEM 12 TERRITORY**

Under the Franchise Agreement, OpenWorks grants you the right to operate a janitorial services business within a designated territory using OpenWorks' trade names, marks and system. Unless otherwise allowed in writing by OpenWorks, the territory is usually the area encompassing a 60 mile radius from the business address you list in Article 1 of your Franchise Agreement. For the OW P and OW GrOW packages, the territory is the continental United States. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. As there may be multiple franchisees in a territory, other franchisees and OpenWorks can and do compete there. You may seek new business within your territory, but you are not allowed to solicit business from existing OpenWorks customers or prospects where an active OpenWorks bid (within the last six months) exists. OpenWorks will not bid against you itself. You are restricted as to the area within which you may solicit business, which must be within the territory. In addition, unless otherwise allowed by OpenWorks in writing, you may not service prospects located outside of your territory, even if you did not solicit their business.


OpenWorks does not compete with you under different tradenames or trademarks within the territory (and it has no current plans to do so), but it does reserve the right to do so in the future.

OpenWorks may, but is not obligated to, offer programs to qualifying franchisees wherein OpenWorks offers and provides consent for a franchisee to service Accounts outside its Territory. OpenWorks reserves the right to use other channels of distribution such as the Internet, catalog sales and direct mail to make sales in your territory. OpenWorks need not compensate you for soliciting or accepting accounts from inside your territory.

Unless otherwise authorized in writing by OpenWorks, there are no conditions under which the territory might be modified while your Franchise Agreement is in effect. This includes relocations. You may purchase an additional franchise in a new territory and continue operating the franchise in your original territory. You may also sell your existing franchise and if you wish, purchase a new one in a new territory. All approval processes, transfer fees and initial franchise fees are applicable.

### ITEM 13 TRADEMARKS

OpenWorks is the owner of each of the following principal trademarks, which are registered on the principal register of the U.S. Patent and Trademark Office (“USPTO”), and which are being licensed to you:

Trademark	Registration (Serial) Number	Registration Date
OpenWorks	2393723	October 10, 2000
FirstWorks®	3139060	September 5, 2006
	6573772	November 30, 2021
	6573776	November 30, 2021
TotalWorks®	6429470	July 20, 2021
SaniCare®	6435456	July 27, 2021
SaniWorks®	6429474	July 20, 2021

As of the date this Disclosure Document was issued, OpenWorks has filed all required affidavits and renewals for the trademarks with the USPTO. A list of additional trademarks is included as Attachment 5 to the Franchise Agreement in **Exhibit C**.

There were no currently effective determinations of the USPTO, the Trademark Trial and Appeal Board or any state trademark administrator or court, nor any pending infringement, opposition or cancellation proceeding, involving the trademarks as of the date this Disclosure Document was issued.

There was no pending material federal or state court litigation regarding OpenWorks use or ownership rights in the trademarks as of the date this Disclosure Document was issued.

No currently effective agreements significantly limit the rights of OpenWorks to use or license the use of its principal trademarks in a manner material to the franchise.

You cannot use the OpenWorks trademarks as part of your legal business name, or with other words, designs or symbols. You may not use our trademarks in connection with the sale of unauthorized products or services, or in any manner not authorized by us.

OpenWorks has invested substantial time, energy, and money in the promotion and protection of the trademarks. There is no present intention of altering them. However, changes in the trademarks may become desirable or necessary. Under the Franchise Agreement, therefore, OpenWorks reserves the right to change the trademarks and the specifications for each. You are obligated to conform, at your own expense, to any such changes.

You must notify OpenWorks immediately in writing if you become aware of any unauthorized use of OpenWorks' trademarks. You must promptly notify OpenWorks in writing of any claim against you relating to your use of the OpenWorks trademarks. In any proceeding relating to such a claim, OpenWorks may select legal counsel and has the sole right to control any administrative proceedings or litigation involving the trademarks. OpenWorks is not contractually obligated to indemnify or defend you in such a proceeding or litigation. Although OpenWorks is not contractually obligated to defend its trademarks against infringers, it intends to do so.

OpenWorks is not aware of any superior prior rights to, or infringing uses of, its principal trademarks that could materially affect your use of them.

## **ITEM 14**

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

OpenWorks has not registered any patents or copyrights. It claims common law copyrights for its advertising materials, contracts and the Manual. You will be permitted to use the copyrighted materials. OpenWorks has no contractual obligation to protect its copyrights. Nevertheless, it intends to do so.

There are no current material determinations of the USPTO, the United States Copyright Office or a court regarding any copyright owned by OpenWorks. There is no material proceeding in the United States Patent and Trademark Office or any court concerning any such copyright.

You must notify OpenWorks immediately in writing if you become aware of any unauthorized use of OpenWorks' copyrighted materials. You must promptly notify OpenWorks in writing of any claim against you relating to your use of OpenWorks' copyrighted materials. In any proceeding relating to such a claim, OpenWorks may select legal counsel and has the right to control the proceedings. OpenWorks is not contractually obligated to indemnify or defend you in such a proceeding. OpenWorks is not contractually obligated to defend its copyrights.

OpenWorks considers the information contained in the Manual, OpenWorks training platforms, and other franchise related communications, to be confidential. OpenWorks will

disclose to you, during and after training, specified trade secrets subject to explicit non-disclosure provisions in the Franchise Agreement. In particular, OpenWorks considers its customer lists and information, the Manual and pricing methods to be valuable trade secrets. Each person having a 5% or greater ownership interest in you, and each person who will receive initial training from OpenWorks or have access to OpenWorks' trade secrets, must sign the Non-Disclosure and Non-Competition Agreement which is Attachment 4 to the Franchise Agreement (which is **Exhibit C** to this Disclosure Document).

You consent to OpenWorks' use of any photograph of you that is taken at a training, conference, seminar, event or OpenWorks' office.

## **ITEM 15**

### **OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS**

You must give OpenWorks notice of the name and contact information for your designated manager. This is the person who is responsible for the day-to-day management of the franchised business. You or your designated manager must use your best efforts in the daily operation of the franchised business and devote all your productive time and effort to the management and operation of your franchised business on a full time basis. The designated manager must successfully complete our training program. There is no requirement that any designated manager have an equity interest in your business. At least one of your principals and your designated manager must be fluent in English in order to adequately communicate with clients, meet Account requirements, and maintain OpenWorks' professional brand image.

You must provide written notice to OpenWorks of any change in designated managers before implementing such a change. Upon the termination of employment of a designated manager, you or one of your principals is required to take on a role of designated manager yourself until your successor designated manager is qualified to take over. Any successor designated manager must successfully complete the initial training program conducted by OpenWorks before starting work in your business.

Each owner that has a 5% or greater interest in you as well as any officer, manager, or managing member and the spouses of such persons must personally guarantee your obligations under the Franchise Agreement and all other agreements executed between you and us, and also must be personally bound by, and personally liable for, breach of every term of the Franchise Agreement. Any individual who owns more than 5% of you and each person who will receive training, including your designated manager, will be required to sign a nondisclosure and non-competition agreement. The personal guaranty is included as Attachment 3, the spousal consent is included as Attachment 6 and the nondisclosure and non-competition agreement is included as Attachment 4 to Exhibit C of the Franchise Agreement.

## **ITEM 16**

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

You are obligated to offer and sell all the services and only the services that OpenWorks authorizes you to provide. There is no restriction as to which customers you may serve as long as they are not customers of another OpenWorks franchisee, are located within your territory, and are obtained pursuant to the processes outlined in the Franchise Agreement and other OpenWorks franchisee policies and procedures.

You must operate your business in complete compliance with the standards and specifications set out in the Manual. OpenWorks may make changes in these standards and specifications when, in its reasonable discretion, change is needed for the continued success and development of the OpenWorks network. These changes may necessitate the purchase of equipment, supplies, furnishings or other goods, completion of additional training by your employees, or other cost to you. You must promptly conform to the modified standards and specifications at your expense.

The only limitation on OpenWorks' right to make changes in the types of services you offer is that it may not change the terms of the Franchise Agreement itself without a written amendment signed by both OpenWorks and you.

## ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise or other Agreement	Summary
a. Length of the franchise	4.2.1	10 years; if you continue operating after the term expires, we have the right to consider your franchise renewed on a month-to-month basis until the Franchise Agreement is formally renewed or terminated.
b. Renewal or extension of the term	4.2.2	Your successor franchise right permits you to remain as a franchise after the initial term of your Franchise Agreement expires. If you wish to do so, and you satisfy the pre-conditions to obtaining a successor franchise, we will offer you the right to obtain two additional terms of 10 years each. You must sign our then-current Franchise Agreement for the successor term, and this new Franchise Agreement may have different terms and conditions (including, e.g. higher royalty, advertising contributions, or additional fees) from the Franchise Agreement that covered your original term.
c. Requirements for franchisee to renew or extend	4.2.2	Be in good standing, six months' notice to OpenWorks, and sign new agreement and release. You may be asked to sign an agreement with materially different terms and conditions than your original agreement.
d. Termination by franchisee	10.3	On 90 days' notice, if you de-identify, pay all debts to OpenWorks, and return proprietary items, subject to state law.

Provision	Section in Franchise or other Agreement	Summary
e. Termination by franchisor without cause	10.1	OpenWorks cannot terminate without cause unless you agree.
f. Termination by franchisor with cause	10.2	OpenWorks can terminate only if you default.
g. “Cause” defined – curable defaults	10.2.1 (b)-(k), 10.2.2	You have 30 days to cure violations of failure to submit information on time, failure to begin business within required time, misuse of marks, misrepresentations, or threats to public health or safety; you have five days to cure failure to pay money; if OpenWorks has given formal notice of default or termination, OpenWorks may stop performing its obligations to you.
h. “Cause” defined - non-curable defaults	10.2.1 (a), (l)-(s), 10.2.2	Non-curable defaults include interests in a competing business, felony conviction, unapproved transfer, insolvency, more than two defaults within a 12 month period, service problems that would permit termination of your right to service an account for your fault, including use of independent contractors or subcontractors to service customers, failure to maintain insurance required by law and material misrepresentations resulting in a material adverse effect and unilateral repudiation by you.
i. Franchisee’s obligations on termination/nonrenewal	10.4	De-identification, payment of amounts due, return of proprietary items and customer keys and security codes, assignment of any janitorial cleaning account agreements if executed by you, provision of a list of all accounts and customers you serviced, and assignment of any telephone numbers and websites.
j. Assignment of contract by Franchisor	9.7	May assign to company that assumes obligations, including assignment to OpenWorks master franchisee with exclusive rights to administer the regional office for your janitorial services business.
k. “Transfer” by franchisee – definition	3.26	Includes any transfer of your Franchise Agreement, substantially all of your business assets, or more than a 33% change of ownership.
l. Franchisor approval of your transfer	9.1 - 9.6	OpenWorks has the right to evaluate and decide whether to approve all transfers. Approval is not a representation that accounts transferred will remain OpenWorks’ accounts.



Provision	Section in Franchise or other Agreement	Summary
m. Conditions for franchisor approval of transfer	9.2 - 9.6	New franchisee qualifies and completes training, you pay OpenWorks all money owed, defaults cured, transfer fee paid, purchase agreement approved, release signed by you, new franchisee signs current Franchise Agreement with initial fee, training and fulfillment obligations amended, OpenWorks granted right of first refusal. New franchisee must be a legal entity. You must obtain our consent before using our trademarks in any listing.
n. Franchisor right of first refusal to acquire franchisee's business	9.6	OpenWorks has 15 days to notify you that it will buy under the same terms.
o. Franchisor's option to purchase franchisee's business	None	OpenWorks has no option to buy your business unless you want to sell. <u>See n</u> above.
p. Death or disability of franchisee	9.5.7	No transfer fee for heirs who qualify; otherwise six months to sell to qualified buyer; heirs must take ownership through a legal entity.
q. Non-competition covenants during term of franchise	8.6	No involvement by you or your designated manager in any commercial janitorial business within the area you service and 75 miles of any OpenWorks regional office, subject to state law.
r. Non-competition covenants after franchise is terminated or expires	8.6	No solicitation of OpenWorks customers; no use of OpenWorks' confidential information, subject to state law.
s. Modification of the agreement	7.2.2, 8.8, 11.2, 11.4, 11.7	OpenWorks may change Manual and reduce scope of non-compete; otherwise modification only by agreement of parties or as required by law.
t. Integration/merger clause	11.6	Only the terms of the franchise agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	11.8	Except for certain claims, all disputes must be arbitrated, subject to state law.
v. Choice of forum	11.8	Principal place of business, currently, Phoenix, Arizona (subject to applicable state law).

Provision	Section in Franchise or other Agreement	Summary
w. Choice of law	11.2	Arizona law, subject to state law, except that confidentiality, non-competition and non-solicitation are governed by the law in the state where you operate your business.

## ITEM 18 PUBLIC FIGURES

OpenWorks does not use any public figure to promote its franchise system.

## ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting the Compliance Director at the Corporate Office located at 2355 E. Camelback Road, Suite 600, Phoenix, Arizona 85016; the Federal Trade Commission, and the appropriate state regulatory agencies.

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

**Table No. 1 Systemwide Outlet Summary  
For Years 2022 to 2024**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchise	2022	726	654	-72
	2023	654	615	-39
	2024	615	414	-201
Company-Owned	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Total Outlets	2022	726	654	-72
	2023	654	615	-39
	2024	615	414	-201

**Table No. 2**

**Transfers of Outlets from Franchisees to New Owners (Other than the Franchisor)  
For Years 2022 to 2024**

State	Year	Number of Transfers
Arizona	2022	0
	2023	0
	2024	0
California	2022	0
	2023	0
	2024	0
Colorado	2022	0
	2023	0
	2024	0
Georgia	2022	0
	2023	0
	2024	0

State	Year	Number of Transfers
Illinois	2022	0
	2023	0
	2024	0
Kansas	2022	0
	2023	0
	2024	0
New Jersey	2022	0
	2023	0
	2024	1
North Carolina	2022	0
	2023	0
	2024	0
Oregon	2022	0
	2023	0
	2024	0
Pennsylvania	2022	0
	2023	0
	2024	0
Texas	2022	0
	2023	1
	2024	0
Washington	2022	0
	2023	0
	2024	0
Totals	2022	0
	2023	1
	2024	1

**Table No. 3**

**Status of Franchised Outlets For Years 2022 to 2024**

<b>State</b>	<b>Year</b>	<b>Outlets at Start of the Year</b>	<b>Outlets Opened</b>	<b>Termin- ations</b>	<b>Non- Renewals</b>	<b>Reacquired by Franchisor</b>	<b>Ceased Operations- Other Reasons</b>	<b>Outlets at End of the Year</b>
Alabama	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	0	2	0	0	0	0
Arizona	2022	73	0	12	2	0	0	59
	2023	59	3	8	1	0	0	53
	2024	53	4	22	0	0	0	35
California	2022	122	7	40	2	0	0	87
	2023	87	6	17	1	0	0	75
	2024	75	4	29	0	0	0	50
Colorado	2022	19	1	1	0	0	0	19
	2023	19	3	4	0	0	0	18
	2024	18	1	13	0	0	0	6
DC – Washington	2022	9	1	3	0	0	0	7
	2023	7	1	1	0	0	0	7
	2024	7	2	5	0	0	0	4
Florida	2022	32	7	4	0	0	0	35
	2023	35	1	11	0	0	0	25
	2024	25	5	9	0	0	0	21
Georgia	2022	27	2	4	0	0	0	25
	2023	25	7	6	0	0	0	26
	2024	26	0	11	0	0	0	15
Illinois	2022	61	0	5	0	0	0	56
	2023	56	7	6	0	0	0	57
	2024	57	3	23	0	0	0	37
Kansas	2022	9	0	0	0	0	0	9
	2023	9	1	1	0	0	0	9
	2024	9	0	1	0	0	0	8
Massachusetts	2022	0	0	0	0	0	0	0

State	Year	Outlets at Start of the Year	Outlets Opened	Termin- ations	Non- Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
	2023	0	0	0	0	0	0	0
	2024	0	2	0	0	0	0	2
Maine	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Maryland	2022	3	2	0	0	0	0	5
	2023	5	0	1	0	0	0	4
	2024	4	0	1	0	0	0	3
Minnesota	2022	33	9	9	0	0	0	33
	2023	33	2	6	0	0	0	29
	2024	29	4	13	0	0	0	20
Missouri	2022	7	0	2	0	0	0	5
	2023	5	0	1	0	0	0	4
	2024	4	0	2	0	0	0	2
New Jersey	2022	18	1	3	0	0	0	16
	2023	16	1	3	0	0	0	14
	2024	14	2	6	0	0	0	10
New York	2022	2	2	0	0	0	0	4
	2023	4	1	0	0	0	0	5
	2024	5	2	2	0	0	0	5
North Carolina	2022	15	1	2	0	0	0	14
	2023	14	0	3	0	0	0	11
	2024	11	3	3	0	0	0	11
Oregon	2022	8	3	0	0	0	0	11
	2023	11	1	1	0	0	0	11
	2024	11	0	7	0	0	0	4
Pennsylvania	2022	29	6	3	0	0	0	32
	2023	32	4	5	0	0	0	31
	2024	31	2	6	0	0	0	27
	2022	8	0	4	0	0	0	4

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
South Carolina	2023	4	0	0	0	0	0	4
	2024	4	2	1	0	0	0	5
South Dakota	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	1	0	0	0	0
Tennessee	2022	8	1	1	0	0	0	8
	2023	8	2	2	0	0	0	8
	2024	8	0	4	0	0	0	4
Texas	2022	92	10	15	0	0	0	87
	2023	87	18	13	0	0	0	92
	2024	92	10	41	0	0	0	61
Utah	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Virginia	2022	2	1	0	0	0	0	3
	2023	3	1	1	0	0	0	3
	2024	3	0	0	0	0	0	3
Washington	2022	147	5	15	4	0	0	133
	2023	133	5	12	0	0	0	126
	2024	126	8 (Note 1)	55	0	0	0	79
Total Outlets	2022	726	59	123	8	0	0	654
	2023	654	65	102	2	0	0	615
	2024	615	56	257	0	0	0	414

Note 1 – One franchisee in Washington, who originally purchased in 2019 and terminated in 2021, was reinstated on December 5, 2024, and is included in our outlets opened count in 2024.



**Table No. 4**  
**Status of Company-Owned Outlets For Years 2022 to 2024**

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Total Outlets	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0

Note 1 – OpenWorks has certain regional offices that sell franchises and support franchisees but these regional offices do not provide cleaning services directly to customers.

**Table No. 5**  
**Projected Openings as of December 31, 2024**

State	Franchise Agreements Signed but Outlet not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-owned Outlets in the Next Fiscal Year
Arizona	0	4	0
California	0	7	0
Colorado	0	8	0
Florida	0	7	0
Georgia	0	4	0
Hawaii	0	4	0
Illinois	0	5	0
Kansas	0	2	0
Kentucky	0	1	0
Minnesota	0	6	0
Montana	0	2	0
New Jersey	0	2	0
New York	0	2	0
New Mexico	0	2	0
North Carolina	0	2	0
Ohio	0	2	0
Oregon	0	6	0
Pennsylvania	0	8	0
Tennessee	0	4	0

State	Franchise Agreements Signed but Outlet not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-owned Outlets in the Next Fiscal Year
Texas	0	8	0
Utah	0	2	0
Washington	0	6	0
Washington DC	0	5	0
Wisconsin	0	2	0
Totals	0	101	0

A list of the names of all franchisees and the addresses and telephone numbers of their businesses are provided in Exhibit H to this Disclosure Document.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee who had a business terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document are listed on Exhibit I to this Disclosure Document. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

During the last three fiscal years, we have had certain franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with the franchise system.

There are no trademark-specific organizations formed by our franchisees that are associated with the system which have asked to be included in this disclosure document.

## ITEM 21 FINANCIAL STATEMENTS

Attached to this Franchise Disclosure Document in **Exhibit J** are the audited financial statements for OpenWorks for the years ended December 31, 2024, December 31, 2023, and December 31, 2022.

## ITEM 22 CONTRACT

Attached as Exhibits to this Disclosure Document are copies of the following agreements relating to the offer of a franchise:

<b><u>Exhibit</u></b>	<b><u>Name</u></b>	<b><u>Notes</u></b>
C	Franchise Agreement and its Attachments	Each of your principals will be required to sign a personal guaranty of your obligations to OpenWorks under the Franchise Agreement. A copy of the Personal Guaranty is Attachment 3 to the Franchise Agreement. Any individual who owns more than 5% of you and each person who will receive initial training will be required to sign a Non-Disclosure and Non-Competition Agreement. A copy of this Agreement is Attachment 4 to the Franchise Agreement.
D	Promissory Note	You must execute a promissory note if you finance your marketing fee.
E	Account Assignment Agreement	You must sign an Account Assignment Agreement for each customer account you agree to service.
F	Equipment Purchase Agreement	You must sign an Equipment Purchase Agreement if you purchase any additional equipment from OpenWorks.
L	Renewal Amendment	If you renew your Franchise Agreement, you must sign a Renewal Amendment.
M	Insurance Applications	You must complete an application if you elect to participate in OpenWorks' insurance program.
N	Background Check Release and Authorization Form	You must complete the background check form prior to execution of the Franchise Agreement and as requested during the Term of the Franchise Agreement.
O	Assignment of Franchise Rights	If you transfer your franchise, you and the transferee must execute an Assignment of Franchise Rights. There are two forms of assignment included. The form you will execute depends on whether you transfer all of your franchise rights or if you transfer only a majority of your franchise rights.

### ITEM 23 RECEIPT

The last two pages are detachable documents acknowledging your receipt of this disclosure document.

<b>Summary report:</b> <b>Litera Compare for Word 11.10.0.38 Document comparison done on</b> <b>6/9/2025 9:14:19 AM</b>	
<b>Style name:</b> Default Style	
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<del>Delete</del>	16
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<u>Move To</u>	0
<u>Table Insert</u>	0
<del>Table Delete</del>	0
<u>Table moves to</u>	0
<del>Table moves from</del>	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
<b>Total Changes:</b>	30